

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the executive directors on 10 May 2019.

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 pig
- 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 March 2019 and 31 December 2018 only those with changes during the three-month period ended 31 March 2019 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2019	31 December 2018
<i>Newly incorporated direct subsidiary</i>				
1) Homegrown Shrimp (USA) LLC.	Shrimp farming	United States of America	100.00	-
<i>Newly incorporated indirect subsidiary</i>				
1) Chia Tai Feed (Hengyang) Co., Ltd. ⁽¹⁾	Production and sale of animal feed	China	51.08	-
<i>Subsidiaries with change in interests</i>				
<i>Direct subsidiary</i>				
1) CPF (Thailand) Public Company Limited	Agro-industrial and integrated food	Thailand	99.99	99.98

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2019	31 December 2018
Direct and indirect subsidiary				
1) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	51.08	50.43
Liquidated indirect subsidiary				
1) Shanghai Han Tong International Trading Co., Ltd. ⁽¹⁾	Sale of processed poultry meat	China	-	35.30

⁽¹⁾ A subsidiary of C.P. Pokphand Co., Ltd.

During the three-month period ended 31 March 2019, CPF Investment Limited, a 100.00% owned subsidiary of the Company, acquired 164.18 million ordinary shares of C.P. Pokphand Co., Ltd. (“CPP”) from the Stock Exchange of Hong Kong, representing 0.65% of total issued and paid up capital of CPP with total consideration of U.S. Dollar 14.38 million or approximately Baht 455 million. Subsequent to the share acquisition, the Group has increased its shareholding in CPP and its subsidiaries of 0.65%.

During the three-month period ended 31 March 2019, the Group did not dispose any investments in subsidiaries.

2 Basis of preparation of the interim financial statements

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2018) *Interim Financial Reporting*; including related guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019.

The effects of these changes in accounting policy, where such effects are considered material to the financial statements, are disclosed in note 3.

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For a number of new and revised TFRS which are not yet effective for current period, the Group has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 20.

2.2 Functional and presentation currency

The interim 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 interim financial statements to the nearest million Baht unless otherwise stated.

2.3 Use of judgments and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

In preparing these interim financial statements, the judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018, except for revenue recognition which requires judgement in determining the timing of the transfer of control according to the requirements of TFRS 15 *Revenue from Contracts with Customers* which the Group has initially adopted as disclosed in note 3.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 (unadjusted) 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 not based on observable market data (unobservable inputs).

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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.

Further information about the assumptions made in measuring fair values of investments held as available for sale, which is financial instrument carried at fair value, is included in note 6 to the interim financial statements.

3 Change in accounting policy

The Group has initially applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) from 1 January 2019. TFRS 15 establishes a comprehensive framework for determining how much and when revenue is recognised. It replaced TAS 18 *Revenue* (“TAS 18”) and related interpretations.

Before TFRS15 becomes effective, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. However under TFRS 15, revenue will be recognised when a customer obtains control of the goods. 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.

The Group has adopted TFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (1 January 2019). Accordingly, the Group has not applied the requirements under TFRS 15 to comparative information.

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

<i>As at 1 January 2019</i>	Consolidated financial statements	<i>(Unit: Million Baht)</i> Separate financial statements
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 consolidated and separate 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
<i>Statement of financial position</i> <i>As at 31 March 2019</i>						
<i>Assets</i>						
Accounts receivable - trade and others	37,712	2,551	40,263	2,575	147	2,722
Current biological assets	35,131	(1,266)	33,865	1,087	(90)	997
Other current assets	5,725	(464)	5,261	-	-	-
Deferred tax assets	3,593	(52)	3,541	1,636	(8)	1,628
		769			49	
<i>Liabilities</i>						
Accounts payable - trade and others	35,138	605	35,743	1,262	19	1,281
Other current liabilities	12,841	(173)	12,668	-	-	-
		432			19	
<i>Shareholders' equity</i>						
Unappropriated retained earnings	95,765	249	96,014	53,889	30	53,919
Non-controlling interests	53,481	88	53,569	-	-	-
		337			30	
Total		769			49	

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	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
<i>Statement of income for the three-month periods ended 31 March 2019</i>						
Revenue from sale of goods	125,286	6,200	131,486	5,486	132	5,618
Cost of sales of goods	107,614	6,202	113,816	5,253	133	5,386
Gross profit	17,672	(2)	17,670	233	(1)	232
Profit before income tax expense (income)	5,864	(2)	5,862	940	(1)	939
Income tax expense (income)	687	11	698	(6)	-	(6)
Profit for the period	5,177	(13)	5,164	946	(1)	945

(Unit: Million Baht)

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4 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 7 March 2019.

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

Transactions	Pricing policies
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

4.1 Significant transactions with related parties for the three-month period ended 31 March

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
(a) Income					
Subsidiaries					
Dividend income		-	-	2,430	2,115
Interest income		-	-	1,175	1,008
Sale of goods		-	-	585	457
Rental, service and other income		-	-	1	3
Associates, joint ventures and related companies					
Sale of goods		15,172	15,715	190	220
Dividend income		67	-	-	-
Rental, service and other income		42	53	1	1
Gain on sale of fixed assets		34	-	-	-
Software application income		16	7	-	-
Interest income		4	10	-	-
Training and seminar income		1	2	-	-

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		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
(b) Expenses and others					
Significant influence entity					
Purchase of raw materials and goods		2,325	2,787	584	604
Trademark license fees		334	245	2	1
Technical service fees		164	184	9	8
Subsidiaries					
Purchase of raw materials and goods		-	-	395	497
Software application fees		-	-	41	38
Rental and service fees		-	-	14	15
Training and seminar fees		-	-	4	5
Other expenses		-	-	7	5
Associates, joint ventures and related companies					
Purchase of raw materials and goods		15,065	17,519	128	117
Construction costs of buildings, structures and others		605	883	22	29
Rental and service fees		453	428	71	82
Training and seminar fee		62	71	9	12
Purchase of equipment and others		26	42	7	6
Trademark license fees		17	17	-	-
Software application fees		7	7	-	-
Technical service fees		7	-	-	-
Interest expenses		3	2	-	-
Other expenses		402	319	22	20

4.2 Balances with related parties as at 31 March 2019 and 31 December 2018 were as follows:

4.2.1 Accounts receivable - trade and others

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
Significant influence entity		2	3	1	1
Subsidiaries		-	-	752	1,003
Associates and joint ventures		4,310	4,553	26	46
Related companies		11,178	12,051	327	466
Total		15,490	16,607	1,106	1,516

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4.2.2 Short-term loans

	<i>(Unit: Million Baht)</i>		
	Consolidated financial statements		
	Outstanding balance		
	31 March 2019	31 December 2018	Average balance
Joint venture	81	17	68
Total	81	17	68

	<i>(Unit: Million Baht)</i>		
	Separate financial statements		
	Outstanding balance		
	31 March 2019	31 December 2018	Average balance
Subsidiaries	50,726	60,622	50,768
Total	50,726	60,622	50,768

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

4.2.3 Advance payments for purchase of goods

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Joint venture	50	78	-	-
Related companies	8,763	5,580	-	-
Total	8,813	5,658	-	-

4.2.4 Accrued dividend income

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Subsidiaries	-	-	5,570	3,203
Associate	161	161	-	-
Related companies	67	40	-	25
Total	228	201	5,570	3,228

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4.2.5 Accrued interest income

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Subsidiaries	-	-	236	-
Total	-	-	236	-

4.2.6 Long-term loans

	<i>(Unit: Million Baht)</i> Consolidated financial statements		
	Outstanding balance		
	31 March 2019	31 December 2018	Average balance
Associate	-	6	-
Total	-	6	-

	<i>(Unit: Million Baht)</i> Separate financial statements		
	Outstanding balance		
	31 March 2019	31 December 2018	Average balance
Subsidiaries	19,538	15,673	16,673
Total	19,538	15,673	16,673

The Group and the Company compute the average balance from the outstanding balances of long-term loans at the end of each month excluding accrued interest income.

4.2.7 Accounts payable - trade and others

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Significant influence entity	526	257	133	57
Subsidiaries	-	-	83	48
Associates and joint ventures	713	405	4	6
Related companies	4,204	4,243	107	123
Total	5,443	4,905	327	234

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4.2.8 Short-term borrowings

	<i>(Unit: Million Baht)</i>		
	Consolidated financial statements		
	Outstanding balance		
	31 March 2019	31 December 2018	Average balance
Joint ventures	605	661	648
Total	605	661	648

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

4.3 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 31 March 2019 and 31 December 2018 are summarised as follows:

	Consolidated financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with floating interest rate		Average interest rate (%)	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Short-term loans to joint venture	81	17	-	-	4.85	4.85
Long-term loans to associate	-	6	-	-	-	4.95
Short-term borrowings from joint ventures	605	661	-	-	2.00	2.00

	Separate financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with floating interest rate		Average interest rate (%)	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Short-term loans to subsidiaries	-	-	50,726	60,622	7.13	7.13
Long-term loans to subsidiaries	6,344	6,328	13,194	9,345	5.98	6.25

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4.4 Key management personnel compensations

Key management personnel compensations consist of:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<i>For the three-month period ended 31 March</i>				
Short-term employee benefits	318	324	34	49
Post-employment under defined benefit plans	3	4	1	1
Total	321	328	35	50
<i>As at 31 March</i>				
Provisions for employee benefits	300	408	54	83
Total	300	408	54	83

4.5 Commitments

As at 31 March 2019 and 31 December 2018, the Group had commitments with related parties as follows:

4.5.1 Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	812	593	44	59

4.5.2 Commitments under operating lease agreements

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Within one year	1,199	1,228	245	273
Over one year but within five years	2,115	2,207	249	277
Over five years	364	415	-	-
Total	3,678	3,850	494	550

The Company and certain subsidiaries had lease agreements with related parties covering office premises (including related facilities service agreements), land, farms and vehicles for periods of 1 to 9 years, expiring during 2019 to 2027.

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4.6 Significant agreements


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


4.6.1 Technical service agreements

The Company and certain subsidiaries have technical service agreements with a significant influence entity, Charoen Pokphand Group Company Limited (“CPG”). Under the terms of the agreements, CPG agrees to research and develop the raw material ingredients for the production of animal feeds for the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the technical service fee, which is calculated from the feed production quantity dependent upon the types of feed as stipulated in the agreements, to CPG. The minimum service fee ranges from Baht 0.1 million to Baht 1.3 million per month. These agreements are in effect starting from 1 January 2018 to 31 December 2018. The Company and subsidiaries have extended the agreements for an additional period until 31 March 2019 with the same conditions and fee rates.

In addition, certain foreign subsidiaries have agreements to obtain the technical service assistance from CPG. The foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms and conditions stipulated in the agreements.

4.6.2 Trademark agreements

A subsidiary (CPF Trading Company Limited) has trademark agreement with CPG for the right to use  trademark. In this regard, the subsidiary is committed to pay the trademark license fees to CPG at the rates as stipulated in the agreement. This agreement is effective starting from 1 July 2017 to 30 June 2020.

The Company and certain subsidiaries have trademark agreements with CPG, for the right to use  trademark. In this regard, the Company and subsidiaries are committed to pay the trademark license fees to CPG at the rates as stipulated in the agreements. These agreements are effective starting from 1 January 2018 to 31 December 2018. The Company and subsidiaries have extended the agreements for an additional period until 31 March 2019 with the same conditions and fee rates.

A foreign subsidiary (C.P. Vietnam Corporation) entered into trademark agreement with CPG to use trademarks as stipulated in the agreements. In this regard, the subsidiary is committed to pay the trademark license fee to CPG at the rate as stipulated in the agreements. This agreement is effective starting from 1 January 2017 to 31 December 2019.

A subsidiary has a trademark agreement with a related company, Star Marketing Co., Ltd. (“STAR”), for the right to use STAR trademark. In this regard, the subsidiary is committed to pay the trademark license fee to STAR, which is calculated from the sale value under the trademark at the rates as stipulated in the agreement. This agreement is effective starting from 1 January 2014 to 31 December 2018. The Company and subsidiaries have extended the agreements for an additional period until 31 March 2019 with the same conditions and fee rates.

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4.6.3 Application system service agreement

A subsidiary had an application system service agreement with a related company, Freewill Solutions Co., Ltd. (“Freewill”). 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 at the agreed rate stipulated in the agreement. This agreement is effective starting from 1 January 2015 to 31 December 2019.

4.6.4 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”). 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 at the agreed rate stipulated in the agreements. These agreements are effective starting from 1 July 2017 to 30 June 2019.

4.6.5 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.

4.6.6 Agreements for the acquisitions of investments and assets

During the three-month period ended 31 March 2019, Chia Tai (China) Investment Co., Ltd. (“CTI”), a 51.08% indirectly owned subsidiary of the Company, entered into agreements with related companies to acquire investments and assets relating to feed business in China. The details of the agreements are as follows:

- 1) CTI will acquire total investment in Hainan Chia Tai Animal Husbandry Co., Ltd. (“Hainan CT”) which principally engages in leasing out of assets used in the production and sale of animal feed in China from Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. with total consideration of Renminbi 69.47 million or equivalent to approximately Baht 326 million. In this regard, the completion of the acquisition is conditional upon the completion of conditions precedent as stipulated in the relevant agreements and related documents. Subsequent to the completion of the transaction, Hainan CT will become a 51.08% indirectly owned subsidiary of the Company.
- 2) CTI will acquire total investment in a new company to be established by Jilin Deda Feed Co., Ltd. (“Deda”) to receive the transfer of production and sale of animal feed business in China from Deda. CTI will acquire this investment from Chia Tai (China) Agro-Industrial Ltd. (“CTA”), Chia Tai SongLiao Co., Ltd. (“CTSL”) and Mass Success Enterprise Ltd. (“MSE”) whereby CIT has to pay consideration of Renminbi 66.08 million or equivalent to approximately Baht 310 million for CTA’s interest in the investment. CTSL and MSE are not related companies to the Group. In this regard, the completion of the acquisition is conditional upon the completion of conditions precedent as stipulated in the relevant agreements and related documents. Subsequent to the completion of the transaction, the newly established company by Deda will become a 51.08% indirectly owned subsidiary of the Company.

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- 3) CTI will acquire assets used in the production and sale of animal feed business in China from Yueyang C.T. Agricultural Husbandry Co., Ltd., Heilongjiang Chia Tai Enterprise Co., Ltd. and Hengyang Chia Tai Co., Ltd. for total consideration of Renminbi 58.20 million or equivalent to approximately Baht 273 million.

As at 31 March 2019, the acquisitions of these investments and assets have not been completed.

5 Accounts receivable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Related parties	4	15,490	16,607	1,106	1,516
Other parties		23,035	24,974	1,475	1,541
Total		38,525	41,581	2,581	3,057
Less allowance for doubtful accounts		(813)	(832)	(6)	(6)
Net		37,712	40,749	2,575	3,051

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Bad and doubtful debts expenses for the three-month period ended 31 March		22	129	-	1

The outstanding balances of doubtful accounts receivable - trade and others that the Group and the Company have considered and already provided the allowance for doubtful accounts as at 31 March 2019 and 31 December 2018 classified by aging were as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
Periods over credit terms:					
Over 3 months to 6 months		74	108	-	-
Over 6 months to 12 months		130	122	-	-
Over 12 months		609	602	6	6
Total		813	832	6	6

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6 Investments held as available for sale

Movements during the three-month period ended 31 March were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
At 1 January	4,262	5,910	-	-
Changes in fair value	(47)	829	-	-
Currency translation differences	(46)	(130)	-	-
At 31 March	4,169	6,609	-	-
At 31 December		4,262		-

Details of investments held as available for sale

Investments held as available for sale as at 31 March 2019 and 31 December 2018 were as follows:

	<i>(Unit: Million Baht)</i>					
	Ownership interest (both direct and indirect)		Consolidated		Separate	
	(<i>%</i>)		financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Marketable securities						
- at fair value						
True Corporation Public Company Limited	2.21	2.21	7,334	7,381	-	-
Zhejiang Huatong Meat Products Co., Ltd.	1.40	1.38	166	165	-	-
Changes in fair value			(3,331)	(3,284)	-	-
Total			4,169	4,262	-	-

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:

	Carrying amount	<i>(Unit: Million Baht)</i> Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 March 2019					
<i>Non-current</i>					
Equity securities available for sale	4,169	4,169	-	-	4,169

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7 Investments in subsidiaries

Movements during the three-month period ended 31 March were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2019	2018	2019	2018
At 1 January	-	-	151,976	133,237
Acquisitions/additional investments	-	-	9,764	53
Impairment losses	-	-	(470)	-
Classified as non-current assets held for sale	-	-	(1,273)	-
At 31 March	-	-	159,997	133,290
At 31 December		-		151,976

During the three-month period ended 31 March 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 (China) Investment Co., Ltd. which is a foreign indirect subsidiary for a total consideration of Renminbi 35 million or equivalent to approximately Baht 165.46 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 230.80 million or equivalent to approximately Baht 1,091.07 million, Renminbi 128.90 million or equivalent to approximately Baht 609.35 million and Renminbi 65.35 million or equivalent to approximately Baht 308.93 million, respectively.

As at 31 March 2019, these transactions 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 470 million in the separate statements of income for the three-month period ended 31 March 2019.

**Charoen Pokphand Foods Public Company Limited
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Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 March 2019 and 31 December 2018 and dividend income for the three-month period ended 31 March 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 three months ended	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
Marketable securities												
C.P. Pokphand Co., Ltd.	4.98	4.98	7,973	7,973	4,691	4,691	-	-	4,691	4,691	-	-
Chia Tai Enterprises International Limited	4.98	4.98	840	840	500	500	-	-	500	500	-	-
Total					5,191	5,191	-	-	5,191	5,191	-	-
Non-marketable securities												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	-	-
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	-	-
C.P. Merchandising Co., Ltd.	99.99	99.99	9,000	9,000	9,000	9,000	-	-	9,000	9,000	2,430	2,115
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	250	250	250	250	-	-	250	250	-	-
Bellisio Investment, LLC	100.00	100.00	20,925	20,925	20,925	20,925	-	-	20,925	20,925	-	-
C.P. Aquaculture (Beihai) Co., Ltd. *	100.00	100.00	602	602	602	602	(440)	-	162	602	-	-

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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 three months ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	December
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
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	(30)	-	303	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	(938)	(938)	456	456	-	-
Charoen Pokphand Foods Philippines Corporation	27.78	27.78	3,954	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	-	-
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	-	-
C.P. Foods International Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
CPF Netherlands B.V.	99.99	99.99	12,541	12,541	12,926	12,926	-	-	12,926	12,926	-	-
CPF Poland S.A.	66.67	66.67	27	27	17	17	-	-	17	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 three months ended	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 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	-	-
Total					157,624	147,860	(1,545)	(1,075)	156,079	146,785	2,430	2,115
Grand Total					162,815	153,051	(1,545)	(1,075)	161,270	151,976	2,430	2,115
* Classified as non-current assets held for sale					(1,743)	-	470	-	(1,273)	-	-	-
Net					161,072	153,051	(1,075)	(1,075)	159,997	151,976	2,430	2,115

**Charoen Pokphand Foods Public Company Limited
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8 Investments in associates

Movements during the three-month period ended 31 March were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2019	2018	2019	2018
At 1 January	96,126	84,226	335	335
Share of profit	2,146	2,011	-	-
Dividend income	(4)	(2)	-	-
Acquisitions/additional investments	709	4,503	-	-
Disposals	(1,272)	(1,308)	-	-
Exchange with Exchangeable Bonds	-	(131)	-	-
Currency translation differences	13	(86)	-	-
Others	(83)	-	-	-
At 31 March	97,635	89,213	335	335
At 31 December		96,126		335

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 interim financial statements by the equity method. As at 31 March 2019, the fair value of this investment was Baht 266,071 million (*31 December 2018: Baht 211,073 million*).

During the three-month period ended 31 March 2019, the Group sold a portion of the investment in an associate with the carrying amount of Baht 1,272 million (*2018: Baht 1,308 million*) with gain on sale of investment amounting to Baht 2,062 million (*2018: Baht 3,250 million*).

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Details of investments in associates and dividend income

Investments in associates as at 31 March 2019 and 31 December 2018 and dividend income for the three-month period ended 31 March were as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for three months ended	
	(%)													
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
Marketable security														
CP ALL Public Company Limited	33.77	34.17	8,983	8,983	74,431	74,776	90,508	89,228	-	-	90,508	89,228	-	-
Total					74,431	74,776	90,508	89,228	-	-	90,508	89,228	-	-
Non-marketable securities														
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	159	159	163	163	-	-	163	163	-	-
Ross Breeders Siam Co., Ltd.	49.99	49.99	70	70	35	35	155	140	-	-	155	140	-	-
Siam Rivea Co., Ltd.	29.99	29.99	60	5	18	2	18	2	-	-	18	2	-	-
Arbor Acres Thailand Co., Ltd.	49.98	49.98	4	4	2	2	166	143	-	-	166	143	-	-
BHJ Kalino Food AB ("BHJ") *	15.08	15.08	5	5	24	24	25	30	-	-	25	30	4	2
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	677	685	-	-	677	685	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	49.75	49.75	353	353	176	176	1,411	1,357	-	-	1,411	1,357	-	-

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for three months ended	
	(%)													
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
Chia Tai Conti (Cixi) Investment Management Co., Ltd.	25.54	25.21	5	5	8	8	6	6	-	-	6	6	-	-
Cixi Zhuda Investment Center Limited Partnership **	0.51	0.50	3	3	-	-	-	-	-	-	-	-	-	-
Conti Chia Tai International Limited	25.54	25.21	767	767	1,052	1,052	1,846	1,755	-	-	1,846	1,755	-	-
Ningxia Xiao Ming Animal Husbandry Co., Ltd. **	8.21	8.10	362	362	749	749	736	727	-	-	736	727	-	-
Qingdao Yi Bang Bio Engineering Co., Ltd. **	6.13	6.05	147	147	1,358	1,358	1,386	1,359	-	-	1,386	1,359	-	-
Zhan Jiang Deni Carburetor Co., Ltd. ***	14.12	14.12	581	581	424	424	538	531	-	-	538	531	-	-
Total					4,181	4,165	7,127	6,898	-	-	7,127	6,898	4	2
Grand total					78,612	78,941	97,635	96,126	-	-	97,635	96,126	4	2

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* 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 interim 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 Center 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 (China) Investment Co., Ltd. (“CTI”), a 51.08% indirectly owned subsidiary as at 31 March 2019. Therefore, the Group accounted for its investments in Ningxia Xiao Ming, Qingdao Yi Bang and Cixi Zhuda using the equity method based on 8.21%, 6.13%, and 0.51% shareholding in the consolidated interim financial statements respectively. In this regard, CTI exercises significant influence in these company 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 interim financial statements.

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up		Cost method		Accumulated		At cost - net		Dividend income for	
	<i>(%)</i>		share capital				impairment				three months ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	March
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Non-marketable securities</i>												
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	159	159	-	-	159	159	-	-
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	-	-	176	176	-	-
Total					335	335	-	-	335	335	-	-

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9 Investments in joint ventures

Movements during the three-month period ended 31 March were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
At 1 January	9,596	6,949	4,360	1,882
Share of profit	202	205	-	-
Dividend income	-	(3)	-	-
Acquisitions/additional investments	-	1,912	-	1,912
Currency translation differences	(99)	(64)	-	-
Others	-	2	-	-
At 31 March	<u>9,699</u>	<u>9,001</u>	<u>4,360</u>	<u>3,794</u>
At 31 December		<u>9,596</u>		<u>4,360</u>

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Details of investments in joint ventures and dividend income

Investments in joint ventures as at 31 March 2019 and 31 December 2018 and dividend income for the three-month period ended 31 March were as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for three months ended	
	(<i>%)</i>													
	31	31	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	December	March	March
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Non-marketable securities</i>														
CP-Meiji Co., Ltd.														
("CP-Meiji") *	59.99	59.99	500	500	1,200	1,200	2,324	2,235	-	-	2,324	2,235	-	-
Andhra Pradesh														
Broodstock														
Multiplicationcentre														
Private Limited **	50.00	50.00	68	68	34	34	34	35	-	-	34	35	-	-
Beijing Chia Tai														
Feedmill Co., Ltd.	25.54	25.21	157	157	128	128	228	224	-	-	228	224	-	-
Camamor Produtos														
Marinhos S.A.	40.00	40.00	103	103	566	566	539	540	-	-	539	540	-	-
CP-MP Logistics Joint														
Stock Company	32.02	31.80	16	16	8	8	7	8	-	-	7	8	-	-
Handan Chia Tai Feed														
Co., Ltd.	25.54	25.21	56	56	-	-	20	19	-	-	20	19	-	3
Henan East Chia Tai														
Co., Ltd.	25.54	25.21	170	170	225	225	263	255	-	-	263	255	-	-
ECI Metro Investment														
Co., Ltd.	25.21	25.21	378	378	1,296	1,296	2,716	2,630	-	-	2,716	2,630	-	-

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Details of investments in joint ventures and dividend income (Continued)

(Unit: Million Baht)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up		Cost method		Equity method		Accumulated		At equity - net		Dividend income for	
	(%)		share capital						impairment				three months ended	
	31	31	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	December	March	March
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
SuperDrob S.A.	49.45	49.45	4,708	4,708	3,794	3,794	3,564	3,646	-	-	3,564	3,646	-	-
Westbridge Foods Holding B.V. **	50.00	50.00	1	1	6	6	4	4	-	-	4	4	-	-
Total					7,257	7,257	9,699	9,596	-	-	9,699	9,596	-	3

* 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 interim financial statements.

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

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Details of investments in joint ventures and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up share		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		capital				impairment				for three months ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	March
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Non-marketable securities</i>												
Camanor Produtos Marinhos S.A.	40.00	40.00	103	103	566	566	-	-	566	566	-	-
SuperDrob S.A.	49.45	49.45	4,708	4,708	3,794	3,794	-	-	3,794	3,794	-	-
Total					4,360	4,360	-	-	4,360	4,360	-	-

**Charoen Pokphand Foods Public Company Limited
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10 Investments in related companies

Movements during the three-month period ended 31 March were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
At 1 January	1,505	1,542	150	678
Currency translation differences	(143)	(26)	-	-
At 31 March	<u>1,362</u>	<u>1,516</u>	<u>150</u>	<u>678</u>
At 31 December		<u>1,505</u>		<u>150</u>

Details of investments in related companies

Investments in related companies as at 31 March 2019 and 31 December 2018 were as follows:

	Ownership interest (both direct and indirect) (%)		Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
Non-marketable securities						
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	971	1,114	-	-
Total			<u>1,362</u>	<u>1,505</u>	<u>150</u>	<u>150</u>

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11 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month period ended 31 March were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2019		2018	
	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value
Land	136	-	218	-
Buildings and building improvements and utility systems	2,461	156	1,756	79
Machinery and equipment	2,860	328	1,880	96
Others	270	37	350	10
Assets under construction and installation	3,953	4,459	6,736	3,665
Total	9,680	4,980	10,940	3,850

(Unit: Million Baht)

	Separate financial statements			
	2019		2018	
	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value
Buildings and building improvements and utility systems	152	116	116	23
Machinery and equipment	62	56	99	6
Others	5	-	11	-
Assets under construction and installation	123	192	283	194
Total	342	364	509	223

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12 Accounts payable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Related parties	4	5,443	4,905	327	234
Other parties		29,695	30,554	935	1,012
Total		35,138	35,459	1,262	1,246

13 Subordinated perpetual debentures

During the three-month period ended 31 March 2019, the Company paid interest expense to the subordinated perpetual debenture holders amount of Baht 372 million. The interest expense net of income tax of Baht 323 million is deducted from unappropriated retained earnings in the statements of financial position as at 31 March 2019.

As at 31 March 2019, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 62 million.

14 Segment information

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

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Revenue and results, based on reportable segments financial information of the Group for the three month period ended 31 March were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2019	2018
<i>Segment revenue</i>		
Livestock business	110,635	106,052
Aquaculture business	14,651	14,464
Total	125,286	120,516
<i>Segment results</i>		
Livestock business	4,646	(175)
Aquaculture business	624	1,249
Total allocated segment results	5,270	1,074
Unallocated segment results	(93)	2,169
Profit for the period	5,177	3,243

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

Details of the geographic segment financial information of the geographical area of the Group as at 31 March 2019 and 31 December 2018 and for the three-month period ended 31 March were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2019	2018
<i>Revenue from external customers</i>		
Thailand	34,866	34,857
Asia	70,796	66,794
Europe	13,074	12,937
America	6,260	5,598
Others	290	330
Total	125,286	120,516

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	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	31 March 2019	31 December 2018
<i>Property, plant and equipment and other intangible assets (excluded goodwill)</i>		
Thailand	82,387	82,362
Asia	93,764	93,690
Europe	17,270	16,795
America	18,138	18,566
Total	211,559	211,413

15 Revenue

The Group's operations and main revenue streams are described in the last annual financial statements. The nature and effect of initially applying TFRS 15 on the interim financial statements are disclosed in note 3.

Disaggregation of revenue

The Group has applied TFRS 15 using the cumulative effect method as an adjustment to the retained earnings as at 1 January 2019. Therefore, the Group does not apply TFRS 15 to the comparative information.

Details of revenue disaggregated by categories of main products for the period of three-month ended 31 March were as follows:

	<i>(Unit: Million Baht)</i>					
	Consolidated financial statements					
	Aquaculture business		Reportable segments Livestock business		Total	
	2019	2018	2019	2018	2019	2018
Categories of main products						
Animal feed	8,326	8,056	39,181	44,990	47,507	53,046
Animal farm products	4,769	5,045	49,865	41,394	54,634	46,439
Processed foods and ready meals	1,556	1,363	21,589	19,668	23,145	21,031
Total	14,651	14,464	110,635	106,052	125,286	120,516

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Details of revenue disaggregated by categories of main products for the period of three-month ended 31 March were as follows (continued):

	<i>(Unit: Million Baht)</i>	
	Separate financial statements	
	Reportable segment	
	Aquaculture business	
	2019	2018
Categories of main products		
Animal feed	3,094	2,978
Animal farm products	1,882	2,540
Processed foods and ready meals	510	428
Total	5,486	5,946

Contract Balances

As at 31 March 2019, the Group had contract liabilities of Baht 254 million (*31 December 2018: 184 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 March 2019.

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16 Basic earnings per share

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

	<i>(Unit: Million Baht/Million shares)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the period attributable to ordinary shareholders of the Company	4,279	3,049	946	1,625
<i>Less: cumulative interest expense for the period net of income tax on subordinated perpetual debentures</i>	<u>(148)</u>	<u>(148)</u>	<u>(148)</u>	<u>(148)</u>
Profit used in calculation of basic earnings per share	<u>4,131</u>	<u>2,901</u>	<u>798</u>	<u>1,477</u>
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at 1 January	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	<u>(426)</u>	<u>(426)</u>	<u>-</u>	<u>-</u>
Net	<u>8,185</u>	<u>8,185</u>	<u>8,611</u>	<u>8,611</u>
Basic earnings per share (in Baht)	<u>0.50</u>	<u>0.35</u>	<u>0.09</u>	<u>0.17</u>

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17 Commitments with non-related parties

The Group had commitments with non-related parties as at 31 March 2019 and 31 December 2018 as follows:

17.1 Capital commitments

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2019	2018	2019	2018
<i>Contracted but not provided for</i>				
Land, buildings and constructions	2,296	2,407	-	2
Machinery, equipment and others	2,498	2,083	19	29
Total	4,794	4,490	19	31

17.2 Commitments under operating lease agreements

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2019	2018	2019	2018
<i>Future minimum lease payments</i>				
<i>under non-cancellable</i>				
<i>operating leases</i>				
Within one year	4,570	4,331	106	119
Over one year but within five years	12,687	12,136	88	88
Over five years	14,228	13,984	2	2
Total	31,485	30,451	196	209

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 2019 to 2087.

17.3 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 2021. Under the terms of the agreement, 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 agreement. The net book value of the Company’s assets in respect to the agreement as at 31 March 2019 totalling Baht 17 million (31 December 2018: Baht 22 million).

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17.4 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,786 million. *(31 December 2018: the Company and certain subsidiaries had commitments totalling Baht 3 million and Baht 1,559 million, respectively).*

17.5 Letters of guarantee

- (a) The Company and certain subsidiaries had commitments with financial institutions for letters of guarantee issued by the financial institutions in favor of government agencies and others totalling Baht 17 million and Baht 7,905 million, respectively *(31 December 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 427 million *(31 December 2018: Baht 482 million)*.

18 Guarantees

As at 31 March 2019, certain subsidiaries pledged their assets as collateral for their borrowings from financial institutions as follows:

18.1 Ordinary shares of the following foreign subsidiaries:

- (a) C.P. Pokphand Co., Ltd. totalling 1,234 million ordinary shares with fair value of Baht 3,542 million *(31 December 2018: 1,234 million ordinary shares with fair value of Baht 3,415 million)*.
- (b) Pravdinsk Pig Production-2 Limited Liability Company with an issue and paid-up capital of Baht 488 million *(31 December 2018: Baht 469 million)*.
- (c) NNPP Limited Liability Company with an issue and paid-up capital of Baht 233 million *(31 December 2018: Baht 224 million)*.
- (d) NNPP-2 Limited Liability Company with an issue and paid-up capital of Baht 435 million *(31 December 2018: Baht 417 million)*.

18.2 Property, plant and equipment with net book value of Baht 13,073 million *(31 December 2018: Baht 13,021 million)*.

18.3 Current assets and non-current assets mainly comprising of leasehold right, inventories and net accounts receivable and payable, with carrying value of Baht 4,586 million *(31 December 2018: Baht 4,434 million)*.

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19 Events after the reporting period

19.1 On 4 April 2019, CPF Restaurant and Food Chain Co., Ltd. (“CPF RF”), a 99.99% owned indirect subsidiary of the Company, entered into the agreement for the shares subscription and investment (the “Agreement”) in Dak Galbi Group Co., Ltd. (“Dak Galbi”), with details of the transactions as follows:

- 1) CPF RF will make the first investment by subscription of Dak Galbi’s newly issued shares totalling 550,000 shares, with par value of Baht 100 per share, totalling Baht 55 million, representing 41.35% of total issued shares of Dak Galbi after the capital increase. Subsequent to the completion of the first acquisition, Dak Galbi will become a joint venture of the Group.
- 2) CPF RF will make the second investment with the value referred to the operating result of Dak Galbi’s audited financial statements for the year ended 31 December 2019 according to the details, conditions and valuation method described in the Agreement.

In this regard, subsequent to the completion of these 2 transactions above, CPF RF will hold 60.00% of the total issued and paid-up shares of Dak Galbi after the capital increase in Dak Galbi.

Dak Galbi is incorporated in Thailand and principally engages in hot Korean stir fry restaurant.

19.2 On 5 April 2019, the Labor Protection Act 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 in accordance with the changes in the Labor Protection Act and will recognise the impact from the change of plan in the second quarter of 2019. The Group will recognise the increase in the provision for retirement benefits and past service cost of Baht 1,812 million and Baht 560 million in the consolidated and separate financial statements, respectively.

19.3 On 20 April 2019, CPF Canada Holdings Corp., a 100.00% owned indirect subsidiary of the Company, entered into the Share Purchase Agreement (the “SPA”) to acquire the entire interest in HyLife Investments Ltd. (“HIL”) (the “Agreement”) which owns a 50.10% interest in HyLife Group Holdings Ltd. (“HyLife”) for a total consideration of CAD 498 million or equivalent to approximately Baht 11,845 million. However, the said total consideration shall be adjusted according to the actual financial data of HIL and HyLife on the date of completion of transaction as specified in the SPA. In this regard, the completion of the acquisition is conditional upon the receipt of approval from Canada’s agricultural approvals and merger control filing and the satisfaction of other conditions precedent as specified in the SPA.

In this regard, subsequent to the completion of the transaction, CPF Canada Holdings Corp. will be amalgamated with HIL, and become a new entity which will assume the name CPF Canada Holdings Corp., under the laws of British Columbia, Canada.

Subsequent to the completion of the transaction, CPF Canada Holdings Corp. will hold 50.10% of total issued and paid up shares of HyLife and HyLife will become a joint venture of the Group.

HyLife is incorporated in Canada and principally engages in integrated swine production business.

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- 19.4 CPF Investment Limited (“CPFI”), a 100.00% owned subsidiary of the Company, entered into share sale and purchase agreements to acquire the remaining shares of an indirect subsidiary of the Company, Charoen Pokphand Foods Canada Inc. (“CPF Canada”) from the sellers (the “Agreement”) totalling 300,000 shares, representing 30.00% of total issued and paid-up shares of CPF Canada totalling CAD 300,000 or equivalent to approximately Baht 7.1 million. The transaction value is based on the conditions stipulated in Unanimous Shareholders Agreement.

Subsequent to the completion of the above transaction, CPFI will hold 100.00% of total issued and paid up shares of CPF Canada and CPF Canada will still be an indirect subsidiary of the Company.

CPF Canada is incorporated in Canada and principally engages in import and export food products.

- 19.5 C.P. Vietnam Corporation (“CPV”), a 65.35% of total issued and paid-up shares of indirectly owned subsidiary of the Company, entered into sale and purchase agreements to acquire 70% of the registered capital of AHM Lifestyles - Creative Hospitality Co., Ltd. (“AHM”) from the sellers (the “Agreement”). The total transaction value is VND 24,150 million or equivalent to approximately Baht 33.3 million.

Subsequent to the completion of the above transaction, CPV will hold 70% of total issued and paid up shares of AHM and AHM will become an indirect subsidiary of the Company.

AHM is incorporated in Vietnam and principally engages in restaurant business.

- 19.6 On 24 April 2019, at the annual general meeting of the shareholders of the Company, the Company’s shareholders approved the dividend payment from the Company’s operating results of the year 2018 at Baht 0.65 per share in total. In this regard, the Company already distributed the first dividend payment to shareholders as an interim dividend at Baht 0.35 per share on 7 September 2018. Therefore, the remaining second dividend payment to the ordinary shareholders who have the rights to receive the dividend of 8,611,242,385 ordinary shares shall be at Baht 0.30 per share, totalling Baht 2,583 million which are scheduled to be paid on 23 May 2019.

20 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group’s operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January 2020 of the following years:

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 TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS for Financial instruments standards and TFRS 16 on the consolidated and separate financial statements.