

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (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 14 May 2018.

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 2018 and 31 December 2017 only those with changes during the three-month period ended 31 March 2018 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2018	31 December 2017
<i>Newly incorporated direct subsidiary</i>				
1) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	The People’s Republic of China (“China”)	100.00	-
<i>Newly incorporated indirect subsidiaries</i>				
1) Chia Tai Aquaculture (Nantong) Co., Ltd. ⁽¹⁾	Production and sale of animal feed	China	50.43	-
2) CPF Food and Beverage Co., Ltd. ⁽²⁾	Production and sale of ready meals	Thailand	99.95	-
3) CPF Restaurant and Food Chain Co., Ltd. ⁽²⁾	Five stars business and restaurants	Thailand	99.95	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2018	31 December 2017
4) International Pet Food Co., Ltd. ⁽²⁾	Production and sale of pet food	Thailand	99.95	-

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

⁽²⁾ A subsidiary of CPF (Thailand) Public Company Limited

During the three-month period ended 31 March 2018, 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 2017) *Interim Financial Reporting*; including related guidelines promulgated by the Federation of Accounting Professions (“FAP”); 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 2017. 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 2017.

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 2017 except that the Group has adopted the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018 and are relevant to the Group’s operations. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

In addition to the above new and revised TFRS, the FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these interim financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

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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 2017.

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).

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.

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3 Business combination by acquisition of shares

Share acquisition of Paulsen Food GmbH (“PF”)

On 4 October 2017 CPF Europe S.A. (“CPF EU”), a 99.99% indirectly owned subsidiary of the Company, had completed the acquisition of 23,750 ordinary shares of Paulsen Food GmbH (“PF”) from Peter Paulsen Import-Export GmbH & Co. Handels KG (“PP” or the “Seller”), representing 95% of total issued and paid-up shares of PF (the “Acquisition”) at the amount of Euro 11.5 million or equivalent to approximately Baht 444 million which was fully paid.

PF is incorporated in Germany. PF and subsidiaries (“PF Group”) principally engages in the sale of meat to customers who are food services and food manufacturers in Germany and other countries in the European Union and invest in companies in Germany which have import quota licenses for the import of poultry meat and other poultry products to the European Union.

The Group obtained control of PF Group on 4 October 2017 (“Acquisition date”) through the acquisition of 23,750 ordinary shares (equal to 95% of PF’s total issued and paid-up shares).

As at 31 March 2018, the Group had completed the fair value assessment of the net assets acquired and had adjusted the accounting record of the business combination according to the new information obtained within one year from the acquisition date as follows:

	Fair value before adjusted	Adjusted	Fair value after adjusted
			<i>(Unit: Million Baht)</i>
Cash and cash equivalents	115	-	115
Accounts receivable - trade and others	94	-	94
Inventories	301	-	301
Other current assets	11	-	11
Intangible assets - import licenses	-	92	92
Accounts payable - trade and others	(121)	-	(121)
Deferred tax liabilities	-	(28)	(28)
Short-term borrowings from financial institutions	(39)	-	(39)
Net assets	361	64	425
Non-controlling interests (based on their proportionate interest in the recognised amount of the net identifiable assets of the acquiree)	(18)	(3)	(21)
Goodwill	101	(61)	40
Consideration transferred	444	-	444
Cash received from acquisition of subsidiary	(115)	-	(115)
Net consideration paid for acquisition of subsidiary	329	-	329

The factors contributing to the goodwill are the fact that the Group will obtain additional distribution channels for food services and food manufacturers in Germany and the European Union which have a high potential. Goodwill arising from business combination is recognised in the consolidated statement of financial position and is not amortised as expenses.

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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 47.61% of the Company's voting rights as of the latest closing date of shareholder register book on 13 March 2018.

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

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
(a) Income				
Subsidiaries				
Dividend income	-	-	2,115	3,150
Interest income	-	-	1,008	756
Sale of goods	-	-	457	726
Rental, service and other income	-	-	3	3
Associates, joint ventures and related companies				
Sale of goods	15,715	12,690	220	184
Rental, service and other income	53	39	1	1
Software application income	7	7	-	-
Training and seminar income	2	2	-	-
Interest income	10	-	-	-
(b) Expenses and others				
Significant influence entity				
Purchase of raw materials and goods	2,787	2,338	604	498
Trademark license fees	245	284	1	2
Technical service fees	184	177	8	9
Subsidiaries				
Purchase of raw materials and goods	-	-	497	1,000
Software application fees	-	-	38	43
Rental and service fees	-	-	15	16
Training and seminar fees	-	-	5	8
Loss on sale of fixed assets	-	-	-	4
Other expenses	-	-	5	7
Associates, joint ventures and related companies				
Purchase of raw materials and goods	17,519	13,511	117	152
Construction costs of buildings, structures and others	883	516	29	18
Rental and service fees	428	387	82	81
Purchase of equipment and others	42	40	6	22
Trademark license fees	17	10	-	-
Software application fees	7	7	-	-
Interest expenses	2	2	-	-
Technical service fees	-	2	-	-
Other expenses	390	340	32	32

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4.2 Balances with related parties as at 31 March 2018 and 31 December 2017 were as follows:

4.2.1 Accounts receivable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Significant influence entity	1	2	-	-
Subsidiaries	-	-	840	1,080
Associates and joint ventures	3,743	3,911	22	41
Related companies	9,149	8,216	208	170
Total	12,893	12,129	1,070	1,291

4.2.2 Short-term loans

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	31 March 2018	31 December 2017	Average balance
Joint venture	751	559	657
Total	751	559	657

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	31 March 2018	31 December 2017	Average balance
Subsidiaries	46,308	36,556	44,610
Total	46,308	36,556	44,610

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Joint venture	3	3	-	-
Associates	6,087	4,500	-	-
Total	6,090	4,503	-	-

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4.2.4 Accrued dividend income

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Subsidiary	-	-	2,115	3,600
Associate	169	171	-	-
Total	169	171	2,115	3,600

4.2.5 Accrued interest income

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Subsidiaries	-	-	399	291
Total	-	-	399	291

4.2.6 Long-term loans

	<i>(Unit: Million Baht)</i>		
	Consolidated financial statements		
	Outstanding balance		
	31 March 2018	31 December 2017	Average balance
Associate	3	3	3
Total	3	3	3

	<i>(Unit: Million Baht)</i>		
	Separate financial statements		
	Outstanding balance		
	31 March 2018	31 December 2017	Average balance
Subsidiaries	16,458	16,939	18,493
Total	16,458	16,939	18,493

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.

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4.2.7 Accounts payable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Significant influence entity	586	459	105	93
Subsidiaries	-	-	158	52
Associates and joint ventures	284	321	5	8
Related companies	2,703	3,061	67	77
Total	3,573	3,841	335	230

4.2.8 Short-term borrowings

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	31 March 2018	31 December 2017	Average balance
Joint ventures	558	418	517
Total	558	418	517

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 2018 and 31 December 2017 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 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Short-term loans to joint venture	751	559	-	-	4.85	4.85
Long-term loans to associate	3	3	-	-	4.95	4.95
Short-term borrowings from joint ventures	558	418	-	-	2.00	2.00

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4.3 Balances of loans/borrowings and interest rates (Continued)

	Separate financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with floating interest rate		Average interest rate (%)	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Short-term loans to subsidiaries	-	-	46,308	36,556	7.13	7.13
Long-term loans to subsidiaries	16,458	16,939	-	-	6.31	6.34

4.4 Key management personnel compensations

Key management personnel compensations consist of:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>For the three-month period ended 31 March</i>				
Short-term employee benefits	79	115	49	73
Post-employment under defined benefit plans	2	2	1	1
Total	81	117	50	74
<i>As at 31 March</i>				
Provisions for employee benefits	177	228	96	118
Total	177	228	96	118

4.5 Commitments

As at 31 March 2018 and 31 December 2017 the Group had commitments with related parties as follows:

4.5.1 Capital commitments

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	879	337	118	7

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4.5.2 Commitments under operating lease agreements

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Within one year	1,018	1,027	251	275
Over one year but within five years	1,903	1,881	214	245
Over five years	765	476	-	-
Total	3,686	3,384	465	520

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 19 years, expiring during 2018 to 2037.

4.6 Significant agreements


As at 31 March 2018, 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.

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.

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A 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.

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 in effect since 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.

5 Accounts receivable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
<i>Note</i>		2018	2017	2018	2017
	Related parties	12,893	12,129	1,070	1,291
	Other parties	23,866	24,778	2,072	2,373
	Total	36,759	36,907	3,142	3,664
	Less allowance for doubtful accounts	(788)	(773)	(6)	(5)
	Net	35,971	36,134	3,136	3,659

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	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Bad and doubtful debts expenses (reversal of allowance for doubtful debts) for the three-month period ended 31 March	129	9	1	(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 2018 and 31 December 2017 classified by aging were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Periods over credit terms:				
Over 3 months to 6 months	73	67	-	-
Over 6 months to 12 months	91	90	-	-
Over 12 months	624	616	6	5
Total	788	773	6	5

6 Investments held as available for sale

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

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
At 1 January	5,910	5,265	-	-
Changes in fair value	829	(131)	-	-
Currency translation differences	(130)	(140)	-	-
At 31 March	6,609	4,994	-	-
At 31 December		5,910		-

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Details of investments held as available for sale

Investments held as available for sale as at 31 March 2018 and 31 December 2017 were as follows:

(Unit: Million Baht)

	Ownership interest (both direct and indirect) (%)		Consolidated financial statements		Separate financial statements	
	31	31	31	31	31	31
	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017
Marketable securities - at fair value						
True Corporation Public Company Limited - at cost	2.21	2.21	7,731	7,859	-	-
Zhejiang Huatong Meat Products Co., Ltd.	3.74	3.74	238	240	-	-
Changes in fair value			(1,360)	(2,189)	-	-
Total			6,609	5,910	-	-

Carrying amount and fair value of financial instruments carried at fair value

The fair value of financial assets together with the carrying amount in the consolidated statement of financial position are as follows:

(Unit: Million Baht)

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 March 2018					
Non-current					
Equity securities held as available for sale	6,609	6,609	-	-	6,609

7 Investments in subsidiaries

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
At 1 January	-	-	133,237	120,795
Acquisitions/additional investments	-	-	53	7,007
At 31 March	-	-	133,290	127,802
At 31 December		-		133,237

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Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 March 2018 and 31 December 2017 and dividend income for the three-month period ended 31 March 2018 and 2017 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 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
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	99.98	99.98	10,512	10,512	29,401	29,401	-	-	29,401	29,401	-	-
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	2,115	3,150
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	-	-	602	602	-	-

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Details of investments in subsidiaries and dividend income (Continued)

(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	31	31	31	31	31	31	31	31	31	31	31
	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	March 2017
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	-	-	333	333	-	-
C.P. Standart Gida Sanayi ve Ticaret A.S.	49.03	49.03	4,406	4,406	1,587	1,587	-	-	1,587	1,587	-	-
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	48,661	48,661	48,661	48,661	-	-	48,661	48,661	-	-
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.W Organizacji	66.67	66.67	27	27	17	17	-	-	17	17	-	-
Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	100.00	-	53	-	53	-	-	-	53	-	-	-
Total					129,174	129,121	(1,075)	(1,075)	128,099	128,046	2,115	3,150
Grand Total					134,365	134,312	(1,075)	(1,075)	133,290	133,237	2,115	3,150

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8 Investments in associates

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

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2018	2017	financial statements	2017
At 1 January	84,226	75,786	335	335
Share of profit	2,011	1,846	-	-
Dividend income	(2)	(51)	-	-
Acquisitions/additional investments	4,503	5,204	-	-
Disposals	(1,308)	(1,614)	-	-
Exchanges with Exchangeable Bonds	(131)	-	-	-
Currency translation differences	(86)	(166)	-	-
Others	-	6	-	-
At 31 March	89,213	81,011	335	335
At 31 December		84,226		335

The Group accounts for the investment in ordinary shares of an associate (CP ALL Public Company Limited), 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 2018, the fair value of this investment was Baht 269,997 million (31 December 2017: Baht 236,440 million).

During the three-month period ended 31 March 2018, the Group sold a portion of the investment in an associate with the carrying amount of Baht 1,308 million (2017: Baht 1,614 million) with gain on sale of investment amounting to Baht 3,250 million (2017: Baht 2,831 million), and exchanged the Exchangeable Bonds (“EBs”) into ordinary shares of CP ALL Public Company Limited (“CPALL”) with the carrying amount of Baht 131 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 271 million (see details in note 13 to the interim financial statements).

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Details of investments in associates and dividend income

Investments in associates as at 31 March 2018 and 31 December 2017, and dividend income for the three-month period ended 31 March 2018 and 2017 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	31	31	31	31	31	31	31	31	31	31	31	31	31
	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	December 2017	March 2018	March 2017
Marketable security														
CP ALL Public Company Limited	34.24	34.28	8,983	8,983	67,675	64,400	82,198	77,307	-	-	82,198	77,307	-	-
Total					67,675	64,400	82,198	77,307	-	-	82,198	77,307	-	-
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	118	110	-	-	118	110	-	-
Siam Rivea Co., Ltd.	29.99	29.99	5	5	2	2	2	2	-	-	2	2	-	-
Arbor Acres Thailand Co., Ltd.	49.98	49.98	4	4	2	2	198	186	-	-	198	186	-	-
BHJ Kalino Food AB ("BHJ") *	15.08	15.08	5	5	24	24	27	29	-	-	27	29	2	2
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	730	759	-	-	730	759	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	49.75	49.75	353	353	176	176	1,423	1,359	-	-	1,423	1,359	-	-

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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 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Chia Tai Conti (Cixi) Investment Management Co., Ltd.	25.21	25.21	5	5	8	8	7	7	-	-	7	7	-	-
Cixi Zhuda Investment Center Limited Partnership **	0.50	0.50	3	3	-	-	-	-	-	-	-	-	-	-
Conti Chia Tai International Limited	25.21	25.21	767	767	1,052	1,052	1,646	1,621	-	-	1,646	1,621	-	-
Ningxia Xiao Ming Animal Husbandry Co., Ltd. **	8.34	8.34	293	293	749	749	727	738	-	-	727	738	-	-
Qingdao Yi Bang Bio Engineering Co., Ltd. **	6.05	6.05	147	147	1,358	1,358	1,444	1,424	-	-	1,444	1,424	-	-
Zhan Jiang Deni Carburetor Co., Ltd. ***	14.12	14.12	581	581	424	424	530	521	-	-	530	521	-	49
Total					4,165	4,165	7,015	6,919	-	-	7,015	6,919	2	51
Grand total					71,840	68,565	89,213	84,226	-	-	89,213	84,226	2	51

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* BHI 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 BHI 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 16.54%, 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 50.43% 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 8.34%, 6.05%, and 0.5% 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 share		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		capital				impairment				for nine 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	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
<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		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
At 1 January	6,949	4,582	1,882	-
Share of profit	205	108	-	-
Dividend income	(3)	-	-	-
Acquisitions/additional investments	1,912	-	1,912	-
Currency translation differences	(64)	(49)	-	-
Others	2	-	-	-
At 31 March	<u>9,001</u>	<u>4,641</u>	<u>3,794</u>	<u>-</u>
At 31 December		<u>6,949</u>		<u>1,882</u>

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Details of investments in joint ventures

Investments in joint ventures as at 31 March 2018 and 31 December 2017 and dividend income for the three-month period ended 31 March 2018 and 2017 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 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Non-marketable securities														
CP-Meiji Co., Ltd. ("CP-Meiji") *	59.99	59.99	500	500	1,200	1,200	1,997	1,939	-	-	1,997	1,939	-	-
Beijing Chia Tai Feedmill Co., Ltd.	25.21	25.21	157	157	128	128	223	215	-	-	223	215	-	-
Handan Chia Tai Feed Co., Ltd.	25.21	25.21	56	56	-	-	19	21	-	-	19	21	3	-
Jilin Chia Tai Enterprise Co., Ltd.	25.21	25.21	261	261	211	211	220	220	-	-	220	220	-	-
Henan East Chia Tai Co., Ltd.	25.21	25.21	170	170	225	225	272	263	-	-	272	263	-	-
ECI Metro Investment Co., Ltd.	25.21	25.21	378	378	1,296	1,296	2,540	2,433	-	-	2,540	2,433	-	-
SuperDrob Zakłady Drobiarsko - Mięsne S.A.	49.45	33.00	4,708	2,825	3,794	1,882	3,725	1,854	-	-	3,725	1,854	-	-
Westbridge Foods Holding B.V. **	50.00	50.00	1	1	6	6	5	4	-	-	5	4	-	-
Total					6,860	4,948	9,001	6,949	-	-	9,001	6,949	3	-

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* 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.

** Westbridge Foods Holding B.V. is a joint venture because each investor has joint control over significant financial and operating decisions and has right to the net assets of 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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For the three-month period ended 31 March 2018 (Unaudited)

Details of investments in joint venture (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for three month ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
<i>Non-marketable security</i>												
SuperDrob Zakład Drobiarsko												
- Mięśne S.A.	49.45	33.00	4,708	2,825	3,794	1,882	-	-	3,794	1,882	-	-
Total					3,794	1,882	-	-	3,794	1,882	-	-

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10 Investments in related companies

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

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
At 1 January	1,542	1,605	678	678
Currency translation differences	(26)	(29)	-	-
At 31 March	<u>1,516</u>	<u>1,576</u>	<u>678</u>	<u>678</u>
At 31 December		<u>1,542</u>		<u>678</u>

Details of investments in related companies

Investments in related companies as at 31 March 2018 and 31 December 2017 were as follows:

	Ownership interest (both direct and indirect) (%)		Consolidated		<i>(Unit: Million Baht)</i> Separate	
			financial statements		financial statements	
	<u>31</u> <u>March</u> <u>2018</u>	<u>31</u> <u>December</u> <u>2017</u>	<u>31</u> <u>March</u> <u>2018</u>	<u>31</u> <u>December</u> <u>2017</u>	<u>31</u> <u>March</u> <u>2018</u>	<u>31</u> <u>December</u> <u>2017</u>
<i>Non-marketable securities</i>						
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	1,125	1,151	528	528
Total			<u>1,516</u>	<u>1,542</u>	<u>678</u>	<u>678</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			
	2018		2017	
	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	218	-	-	-
Buildings and building improvements and utility systems	1,756	79	4,471	39
Machinery and equipment	1,880	96	3,555	11
Others	350	10	316	27
Assets under construction and installation	6,736	3,665	4,854	4,067
Total	10,940	3,850	13,196	4,144

(Unit: Million Baht)

	Separate financial statements			
	2018		2017	
	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	116	23	53	-
Machinery and equipment	99	6	108	1
Others	11	-	14	-
Assets under construction and installation	283	194	239	78
Total	509	223	414	79

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12 Accounts payable - trade and others

(Unit: Million Baht)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
Related parties	4	3,573	3,841	335	230
Other parties		32,911	30,996	1,026	1,154
Total		36,484	34,837	1,361	1,384

13 Interest-bearing liabilities

13.1 On 24 January 2018, the Company issued unsubordinated and unsecured debentures No. 1/2018 in registered name and with debenture holder representative. The debentures are divided into:

- The first series of Baht 5,460 million with the term of 7 years, bearing interest at the fixed rate of 3.05% per annum.
- The second series of Baht 6,540 million with the term of 10 years, bearing interest at the fixed rate of 3.60% per annum.

The debentures had credit rating of “A+” rated by TRIS Rating Co., Ltd. on 12 December 2017 and were registered with the Thai Bond Market Association on 24 January 2018.

13.2 During the period, C.P. Foods Holdings Limited (“CPFH”) a 100.00% owned subsidiary of the Company derecognised the Exchangeable Bonds (“EBs”) with an aggregate principal amount of U.S. Dollar 12.4 million or equivalent to Baht 387 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 CP ALL Public Company Limited (“CPALL”) as an exchange property, pursuant to the terms and conditions of the EBs. In this regard, CPFH has delivered and will deliver 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 March 2018 the carrying amount of the EBs subsequent to the derecognition as aforementioned were U.S. Dollar 293 million or equivalent to Baht 9,137 million (*31 December 2017: U.S. Dollar 304 million or equivalent to Baht 9,896 million*).

14 Subordinated perpetual debentures

During the period, 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 303 million is deducted from unappropriated retained earnings in the statements of financial position as at 31 March 2018.

As at 31 March 2018, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 62 million.

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15 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

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	
	<u>2018</u>	<u>2017</u>
<i>Segment revenue</i>		
Livestock business	106,052	105,487
Aquaculture business	14,464	14,130
Total	<u>120,516</u>	<u>119,617</u>
<i>Segment results</i>		
Livestock business	(175)	2,859
Aquaculture business	1,249	833
Total allocated segment results	<u>1,074</u>	<u>3,692</u>
Unallocated segment results	<u>2,169</u>	<u>1,012</u>
Profit for the period	<u>3,243</u>	<u>4,704</u>

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

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Details of the geographic segment financial information of the geographical area of the Group as at 31 March 2018 and 31 December 2017 and for the three-month period ended 31 March were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
<i>Revenue from external customers</i>		
Thailand	34,857	36,357
Asia	66,794	65,124
Europe	12,937	10,804
America	5,598	7,010
Others	330	322
Total	<u>120,516</u>	<u>119,617</u>

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	<u>31 March 2018</u>	<u>31 December 2017</u>
<i>Property, plant and equipment and other intangible assets (excluded goodwill)</i>		
Thailand	78,453	75,906
Asia	93,169	94,927
Europe	18,370	18,739
America	15,161	15,973
Total	<u>205,153</u>	<u>205,545</u>

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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	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period attributable to ordinary shareholders of the Company	3,049	3,955	1,625	2,263
<i>Less: cumulative interest expense for the period net of income tax on subordinated perpetual debentures</i>	<u>(352)</u>	<u>(50)</u>	<u>(352)</u>	<u>(50)</u>
Profit used in calculation of basic earnings per share	<u>2,697</u>	<u>3,905</u>	<u>1,273</u>	<u>2,213</u>
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at beginning of period	8,611	7,743	8,611	7,743
Treasury shares held by subsidiaries	<u>(426)</u>	<u>(355)</u>	<u>-</u>	<u>-</u>
Net	<u>8,185</u>	<u>7,388</u>	<u>8,611</u>	<u>7,743</u>
Basic earnings per share (in Baht)	<u>0.33</u>	<u>0.53</u>	<u>0.15</u>	<u>0.29</u>

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17 Commitments with non-related parties

The Group had commitments with non-related parties as at 31 March 2018 and 31 December 2017 as follows:

17.1 Capital commitments

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,098	3,514	5	3
Machinery, equipment and others	2,495	2,834	25	30
Total	5,593	6,348	30	33

17.2 Commitments under operating lease agreements

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
<i>Future minimum lease payments</i>				
<i>under non-cancellable</i>				
<i>operating leases</i>				
Within one year	4,167	4,020	162	160
Over one year but within five years	11,998	11,253	62	74
Over five years	16,173	15,644	5	5
Total	32,338	30,917	229	239

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 2018 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 2018. 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 March 2018 totaled Baht 31 million (*31 December 2017: Baht 34 million*).

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17.4 Letters of credit

The Company and certain subsidiaries had commitments under the issued letters of credit totalling Baht 4 million and Baht 1,550 million respectively. *(31 December 2017: Baht 2 million and Baht 2,352 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 488 million and Baht 3,335 million respectively *(31 December 2017: Baht 1,165 million and Baht 5,448 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 635 million *(31 December 2017: Baht 766 million)*.

18 Guarantees

As at 31 March 2018 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 shares with fair value of Baht 2,991 million *(31 December 2017: 5,984 million ordinary shares with fair value of Baht 15,462 million)*.
- (b) Pravdinsk Pig Production Closed Joint Stock Company totalling 51,000 shares with carrying value of Baht 287 million *(31 December 2017: 51,000 ordinary shares with carrying value of Baht 297 million)*.
- (c) Pravdinsk Pig Production Closed Joint Stock Company 2 with an authorised share capital of Baht 551 million *(31 December 2017: Baht 570 million)*.
- (d) NNPP Limited Liability Company with an authorised share capital of Baht 264 million *(31 December 2017: Baht 273 million)*.
- (e) NNPP-2 Limited Liability Company with an authorised share capital of Baht 491 million *(31 December 2017: Baht 508 million)*.
- (f) Charoen Pokphand Foods (Overseas) LLC. totalling 218 million shares with carrying value of Baht 119 million *(31 December 2017: 218 million ordinary shares with fair value of Baht 123 million)*.

18.2 Property, plant and equipment with net book value of Baht 9,912 million *(31 December 2017: Baht 9,607 million)*.

18.3 Current assets and non-current assets mainly comprising of leasehold, inventories and net accounts receivable and payable, with carrying value of Baht 3,266 million *(31 December 2017: Baht 3,482 million)*.

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19 Events after the reporting period

- 19.1 On 16 April 2018, the Company signed an Investment Agreement (the “Agreement”) with Camanor Produtos Marinhos Ltda. (“Camanor”) and Camanor’s existing shareholders pursuant to which the Company has agreed to subscribe for newly issued ordinary shares for 4,666,667 shares (the “Transaction”). The Transaction is expected to be completed within 1 month following the agreement signing date. The Transaction value is U.S. Dollar 17.5 million or approximately Baht 547 million. However, the transaction value may be adjusted according to the terms and conditions specified in the Agreement. The Transaction will be completed after all the conditions precedent in the Agreement have been satisfied.

After the completion of the Transaction, the Company will become a shareholder of Camanor holding 40% of the total issued and paid-up share capital subsequent to the capital increase of Camanor and Camanor will become a joint venture of the Company.

Camanor is incorporated in Brazil, principally engages in shrimp farming and primary processing shrimp businesses. Its main products include fresh and frozen processed shrimp distributing through domestic wholesalers and export.

- 19.2 From the end of the reporting period to the date when the interim financial statements are authorised for issue, C.P. Foods Holdings Limited (“CPFH”) derecognised the Exchangeable Bonds (“EBs”) in aggregate principal amount of U.S. Dollar 131.2 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 CP ALL Public Company Limited (“CPALL”) as an exchange property, pursuant to the terms and conditions of the EBs. In this regard, CPFH has delivered CPALL shares to the EBs holders in relations 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.
- 19.3 On 24 April 2018, 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 2017 at Baht 0.75 per share in total. In this regard, the Company already distributed the first dividend payment to shareholders as an interim dividend at Baht 0.50 per share on 8 September 2017. 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 0.25 per share, totalling Baht 2,153 million which are scheduled to be paid on 23 May 2018.