

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2021

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Charoen Pokphand Foods Public Company Limited

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Notes to the financial statements

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 25 February 2022.

1 General information

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

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

The principal activities of the Company and its subsidiaries (together referred to the “Group”) are operating in agro-industrial and integrated food businesses.

The Group’s business operations are located throughout Thailand and overseas. The businesses are divided into 2 main segments as follows:

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

The Group’s two main businesses are vertically integrated, starting from sourcing of raw materials for animal feed production, manufacturing animal feed, breeding animals, farming animals for commercial purposes, primary 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 primary processing meat, etc.
- 3) Processed foods and ready meals

Details of the Company’s subsidiaries as at 31 December were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
<i>Thailand operations and businesses related to operations in Thailand</i>				
<i>Livestock business</i>				
<i>Direct subsidiaries</i>				
1) Bangkok Produce Merchandising Public Company Limited	Animal feed raw materials distribution	Thailand	99.44	99.44
2) CPF (Thailand) Public Company Limited	Agro-industrial and integrated food	Thailand	99.99	99.99
<i>Indirect subsidiaries</i>				
1) CP Hilai Harbour Co., Ltd.	Restaurant	Thailand	99.99	99.99
2) International Pet Food Co., Ltd.	Production and sale of pet food	Thailand	99.99	99.99
3) Dak Galbi Group Co., Ltd.	Restaurant	Thailand	59.99	59.99
4) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China	100.00	100.00

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			2021	2020
5) Berice LLC	Investment in restaurant	United States of America	99.99	99.99
5.1) Yipeng, LLC	Restaurant	United States of America	99.99	99.99
6) Suansomboon Co., Ltd.	Agricultural plant farming	Thailand	99.99	-
<i>Direct and indirect subsidiaries</i>				
1) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
1.1) Chester's Food Co., Ltd.	Restaurant	Thailand	99.99	99.99
1.2) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.99
1.3) CPF Food and Beverage Co., Ltd.	Production and sale of ready meals	Thailand	99.99	99.99
1.4) CPF Restaurant and Food Chain Co., Ltd.	Five stars business and restaurants	Thailand	99.99	99.99
1.5) Consumer Package Commerce Co., Ltd.	Importer and distributor of processed meat and ready meals	South Korea	99.99	-
1.6) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	99.99	99.99
1.7) C.P. Food Singapore Pte Ltd.	Importer and distributor of processed meat and ready meals	Singapore	99.99	100.00
1.8) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	51.99	51.99
1.9) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
1.9.1) Paulsen Food GmbH	Distributor of meat products and investment	Germany	99.98	99.98
1.9.1.1) CPF Distribution GmbH	Distribution of ready meals	Germany	99.98	99.98
1.9.1.2) ZGG Verwaltungs GmbH	Investment	Germany	99.98	99.98
1.9.2) CP Foods (UK) Limited and subsidiaries	Importer and distributor of processed meat and ready meals	United Kingdom	99.98	99.98
1.9.3) The Foodfellas Limited	Importer of ingredients and food products	United Kingdom	99.98	99.98
1.9.4) Westbridge Food Group Limited	Investment	United Kingdom	99.99	99.99
1.9.4.1) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.99	99.99
1.9.4.2) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.99	99.99
1.9.4.3) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.99	99.99
1.9.4.4) Wignall Holdings Limited ⁽²⁾	Investment	United Kingdom	99.99	99.99
1.9.4.5) Westbridge Foods (Haydock) Limited ⁽²⁾	Distribution of meat products	United Kingdom	99.99	99.99
1.9.4.6) Westbridge Holding B.V.	Investment	Netherlands	99.99	99.99
1.9.4.7) Westbridge Foods (France) SARL	Distribution of meat products	France	99.99	99.99
1.9.4.8) Food Trac Limited	Distribution of meat products	United Kingdom	99.99	99.99

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			2021	2020
1.9.4.9) Westbridge Group License Companies	Importer of poultry meat products	United Kingdom	99.99	99.99
1.10) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and ready meals	Hong Kong Special Administrative Region	99.99	99.99
Other businesses				
Direct subsidiaries				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) CPF Food Research and Development Center Co., Ltd.	Food research and development	Thailand	99.99	99.99
Overseas operations				
Direct subsidiaries				
1) Bellisio Investment, LLC	Investment	United States of America	100.00	100.00
1.1) Bellisio Parent, LLC ⁽²⁾	Investment	United States of America	100.00	100.00
1.1.1) Arden International, LLC ⁽³⁾	Production and distributor of ready meals	United States of America	-	100.00
1.1.2) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.3) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.4) FSI Parent Corp.	Investment	United States of America	100.00	100.00
1.1.4.1) Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.6) The All American Gourmet Company ⁽²⁾	Production and distributor of ready meals	United States of America	100.00	100.00
2) C.P. Aquaculture (Hainan) Co., Ltd. ⁽²⁾	Aquaculture farming and hatchery business	China	100.00	100.00
3) C.P. Foods Holdings Limited	Investment	British Virgin Islands	100.00	100.00
4) C.P. Foods International Limited	Investment	British Virgin Islands	100.00	100.00
5) CP Foods Capital Limited	Investment	British Virgin Islands	100.00	100.00
6) Charoen Pokphand Foods Kenya Co., Ltd. ⁽²⁾	Animal feedmill and livestock farming	Kenya	99.99	99.99
7) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
7.1) Giant Crown Investments Limited	Investment	British Virgin Islands	100.00	100.00
8) CPF Netherlands B.V.	Investment	Netherlands	99.99	99.99
8.1) CP Chozen Limited	Investment	United Kingdom	79.99	79.99

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			2021	2020
8.1.1) Chozen Holdings Limited	Restaurant	United Kingdom	79.99	79.99
8.1.2) Chozen Noodle Trading Limited	Property lease-out	United Kingdom	79.99	79.99
8.2) CPF Canada Holdings Corp.	Investment in integrated swine business	Canada	99.99	99.99
8.3) Russia Baltic Pork Invest AS (Formerly known as Russia Baltic Pork Invest ASA)	Investment	Norway	75.82	75.82
8.3.1) Agro-Oskol CJSC	Agricultural plant farming	Russia	75.82	-
8.3.2) Agro-Ostrogorzhs LLC	Agricultural plant farming	Russia	75.82	-
8.3.3) Agro-Sojuz TS LLC	Investment	Russia	75.82	-
8.3.4) Alekseevskiy Kombikormovy Zavod CJSC	Animal feedmill	Russia	75.82	-
8.3.5) Alekseevsky Bekon JSC	Livestock farming	Russia	75.82	-
8.3.6) APK Don LLC	Management and advisory service	Russia	75.82	-
8.3.7) Chochoł Trostjanka LLC	Agricultural plant farming	Russia	75.82	-
8.3.8) Donskoy Bekon LLC	Livestock farming	Russia	75.82	-
8.3.9) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	75.82
8.3.10) Finagro ASP	Financial service	Denmark	75.82	75.82
8.3.11) Kornevo Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.12) Management Company RBPI Group Limited Liability Company	Property lease-out	Russia	75.82	75.82
8.3.13) Mjaso-Sojuz T LLC	Investment	Russia	75.82	-
8.3.14) MPK Belgorod LLC	Investment	Russia	75.82	-
8.3.15) NNPP Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.16) NNPP-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.17) Pravdinsk Pig Production Joint Stock Company (Formerly known as Pravdinsk Pig Production Closed Joint Stock Company)	Livestock farming	Russia	75.82	75.82
8.3.18) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.19) RBPI Elite Seeds LLC	Production of elite seeds	Russia	75.82	75.82
8.3.20) RBPI Partner East LLC	Slaughterhouse	Russia	75.82	-
8.3.21) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	75.82
8.3.22) RBPI Voronezh LLC	Investment	Russia	75.82	-
8.3.23) Rechnoe Limited Liability Company	Biological waste management services provider	Russia	75.82	75.82
8.4) Stesha LLC	Investment	Russia	99.99	99.99
8.4.1) CP Foods Trading LLC	Importer and exporter of meat products	Russia	99.99	99.99
8.4.2) JSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	Russia	99.99	99.99
8.4.3) JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	Russia	99.99	99.99

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			2021	2020
8.5) Tops Foods NV	Production and distributor of ready meals	Belgium	84.07	84.07
9) CPF Poland S.A.	Agro-industrial products and food	Poland	66.67	66.67
9.1) CPF Culinar Sp. z o.o.	Production of seafood products	Poland	66.67	-
9.2) Food Port Sp. z o.o.	Distributor of seafood products	Poland	66.67	-
9.3) PetRepublic Ltd.	Production and sale of pet food	Poland	60.00	60.00
9.4) PLANT-TEC Europe Sp. z o.o.	Investment	Poland	66.67	-
10) Homegrown Shrimp (USA) LLC	Shrimp farming	United States of America	100.00	100.00
Direct and indirect subsidiaries				
1) Charoen Pokphand Foods (Overseas) LLC	Animal feedmill and livestock farming	Russia	99.99	99.99
1.1) CPF Agro LLC	Livestock farming	Russia	99.99	99.99
1.2) CPF Foods LLC	Property lease-out	Russia	99.99	99.99
1.3) CPF Ryazan LLC	Livestock farming	Russia	99.99	99.99
1.4) CPF Serebryanie Prudy LLC	Livestock farming	Russia	99.99	99.99
1.5) CPF Construction LLC	Provision of consulting service on construction	Russia	99.99	99.99
2) Charoen Pokphand Foods Philippines Corporation	Production and sale of animal feed, farming and shrimp hatchery business	Philippines	99.99	99.99
3) Chia Tai Enterprises International Limited	Investment	Bermuda	50.43	50.43
3.1) C.P. Enterprises Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.2) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.3) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.4) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.5) Golden Industrial Investment Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.6) Henan Chia Tai Biochemistry Trading Co., Ltd. ⁽¹⁾	Trading of animal drugs	China	35.17	35.17
3.7) Pucheng Chia Tai Biochemistry Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
3.8) Shanghai C.P. Industrial Trading Co., Ltd. ⁽²⁾	Sale of machine and spare part	China	50.43	50.43
3.9) Zhumadian Huazhong Chia Tai Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
4) C.P. Aquaculture (India) Private Limited	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	India	75.00	31.70

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			2021	2020
5) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	52.25	52.24
5.1) AHM Lifestyles - Creative Hospitality Joint Stock Company	Restaurant	Vietnam	50.96	50.96
5.2) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	52.25	52.24
5.3) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	China	52.25	52.24
5.4) C.P. Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	China	52.25	52.24
5.5) C.P. Aquaculture (Zhanjiang) Co., Ltd.	Shrimp hatchery business	China	52.25	52.24
5.6) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food and ready meals	China	52.25	52.24
5.7) C.P. Food (Hengshui) Co., Ltd.	Production and sale of processed food	China	52.25	52.24
5.8) C.P. Food (Kaifeng) Co., Ltd.	Production and sale of processed food	China	52.25	52.24
5.9) C.P. Food (Nantong) Co., Ltd.	Production and sale of processed food and ready meals	China	52.25	52.24
5.10) C.P. Food (Zhanjiang) Co., Ltd.	Production and sale of processed food	China	52.25	52.24
5.11) C.P. Standard Resources Limited	Investment	Hong Kong Special Administrative Region	52.25	52.24
5.12) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	66.18	66.18
5.13) C.T. Progressive (H.K.) Limited	Investment	Bermuda	52.25	52.24
5.14) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	52.25	52.24
5.15) Chia Tai (Beijing) Investment Management Co., Ltd.	Management and advisory service	China	52.25	52.24
5.16) Chia Tai Biopharmaceutical (Fujian) Co., Ltd. ⁽¹⁾	Production and sale of drugs	China	35.17	-
5.17) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	52.24
5.18) Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	-
5.19) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	52.25	52.24
5.20) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong Special Administrative Region	52.25	52.24
5.21) CP China Investment Limited	Investment	Cayman Islands	52.25	52.24
5.22) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	52.24

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			2021	2020
5.23) CP Food Investment Limited	Investment	Hong Kong Special Administrative Region	52.25	52.24
5.24) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	66.18	66.18
5.25) Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	China	52.25	52.24
5.26) Dzine Food Solutions Company Limited	Restaurants and mobile catering services	Vietnam	66.18	-
5.27) Fujian Chia Tai Food Co., Ltd. ⁽¹⁾	Sale of processed poultry meat	China	36.57	36.57
5.28) Fujian Hetai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	36.57	36.57
5.29) Hannick Limited	Property investment	Hong Kong Special Administrative Region	52.25	52.24
5.30) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.25	52.24
5.31) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	52.25	52.24
5.32) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.25	52.24
5.33) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	52.24
5.34) Longyan Baotai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	36.57	36.57
5.35) Longyan Chia Tai Co., Ltd. ⁽¹⁾	Production of processed poultry meat	China	36.57	36.57
5.36) Modern State Investments Limited	Investment	British Virgin Islands	52.25	52.24
5.37) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	China	52.25	52.24
6) CPF Tanzania Limited ⁽²⁾	Animal feedmill and livestock farming	Tanzania	99.99	99.99
Indirect subsidiaries				
1) Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
2) C.P. Cambodia Co., Ltd.	Production and sale of animal feed, livestock farming and processed food	Cambodia	100.00	100.00
2.1) Cambodia Property and Trading Co., Ltd. ⁽¹⁾	Property lease-out	Cambodia	49.00	49.00
3) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.99
4) C.P. Standart Gida Sanayi ve Ticaret A.S.	Agro-industrial and integrated food	Turkey	100.00	100.00
5) Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
6) Charoen Pokphand (USA), Inc. ⁽³⁾	Broiler chicken integration	United States of America	-	99.97

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			2021	2020
7) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽¹⁾	Chicken integration and livestock farming	Republic of China (Taiwan)	39.00	39.00
7.1) Arbor Acres (Taiwan) Co., Ltd. ⁽¹⁾	Livestock farming	Republic of China (Taiwan)	19.50	19.50
7.2) Charoen Pokphand (Taiwan) Co., Ltd. ⁽¹⁾	Importer and distributor of feedstuff additives and animal vaccines	Republic of China (Taiwan)	35.10	35.10
7.3) Chia Tai Lianyungang Co., Ltd. ⁽¹⁾	Investment	Hong Kong Special Administrative Region	39.00	39.00
7.4) Plenty Type Limited ⁽¹⁾	Investment	Cayman Islands	39.00	39.00
7.5) Rui Fu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	19.89	19.89
7.6) Rui Mu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	26.52	26.52
7.7) Sheng Da Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	14.92	11.93
8) Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	Malaysia	99.99	99.99
8.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
8.2) Makin Jernih Sdn. Bhd.	Investment	Malaysia	99.99	99.99
8.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
8.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
8.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99
8.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
9) Charoen Pokphand Foods Canada Inc.	Import and export food products	Canada	100.00	100.00
10) Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	Malaysia	100.00	100.00
10.1) Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
10.2) Charoen Pokphand Feedmills (B'worth) Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
10.3) Charoen Pokphand Feedmills (M) Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
10.4) Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
10.5) Linggi Poultry Farm (M) Sdn. Bhd. ⁽²⁾	Property lease-out	Malaysia	100.00	100.00
10.6) PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of animal feed, processed food and livestock farming	Malaysia	100.00	100.00

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10.7) Teck Huat Farming Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
11) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	100.00
11.1) Chun Ta Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
12) CPF (India) Private Limited	Production and sale of animal feed, farming and processed food	India	99.99	99.99
12.1) Lotus Aquaculture Lanka (Private) Limited	Shrimp hatchery and farming, and cold storage	Sri Lanka	75.00	75.00
13) CPF Japan Co., Ltd	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
14) CPVN Limited	Investment	British Virgin Islands	100.00	100.00
15) Forward Pass Limited	Investment	British Virgin Islands	100.00	100.00
15.1) Ta Chung Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
16) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
17) Norfolk Foods (Private) Limited	Production and sale of ready meals	Sri Lanka	80.00	80.00

- (1) The Group has the power to govern those companies
(2) Operations wound up
(3) Closed

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2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in each notes have been applied consistently to all periods presented in these financial statements.

The consolidated financial statements relate to the Group and the Group’s interests in associates and joint ventures. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred. All relevant facts and circumstances are considered in determining the acquisition date and determining whether control is transferred from one party to another. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group elect to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill, at initial recognition, is measured at the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, when purchase price is more than the net fair value of the identifiable assets acquired and liabilities assumed. When purchase price is less than net fair value of the identifiable assets acquired and liabilities assumed, gain on bargain purchase is immediately recognised in profit or loss.

Any consideration/contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. In the event that contingent consideration is classified as asset or liability, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

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

If the business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period by the subsequently obtained information, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Step acquisition

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. If subsidiaries of the Group use accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements to comply with the accounting policies of the Parent in preparing the consolidated financial statements.

Losses in a subsidiary which related to non-controlling interests are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as surplus from change in shareholders' equity.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or the fair value.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently it is accounted for as new types of investment depending on the level of influence retained.

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Interests in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income, share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any income and expenses, are eliminated in full in preparing the consolidated financial statements. Unrealised gains or losses arising from associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Investments in subsidiaries, associates and joint ventures*

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

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss or retained earnings.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

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Foreign operations

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

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in foreign currency translation differences in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the Group shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income.

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

(d) Financial Instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3 (f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

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Equity investments measured at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Group/Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offesting

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at the fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged.

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts recognised in hedging reserve within shareholders' equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve is immediately reclassified to profit or loss.

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

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if there is significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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(d.6) Write-offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

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

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

(f) Trade and other accounts receivable

Trade and other accounts receivable are recognised when the Group has an unconditional right to receive consideration and are stated at their invoice value less allowance for ECLs. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

The Group estimates lifetime ECLs, using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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(h) Biological assets

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

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

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

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

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

(j) Investment properties

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

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and improvement of 5-50 years and recognised in profit or loss. No depreciation is provided on land and assets under construction.

Any gains or losses on disposal of investment properties are determined by comparing the net proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Transfers to property and plant

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

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(k) *Property, plant and equipment*

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

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchase software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Revalued assets

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

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

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

Transfers to investment properties

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

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

The estimated useful lives are as follows:

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

(l) Goodwill

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

(m) Research and development

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure and expenditure on research activities are recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The expenditure cost includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalised only when it increases the future economic benefits.

(n) Other intangible assets

Other intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with an indefinite useful life, from the date that they are available for use.

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The estimated useful lives are as follows:

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

(o) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases with less than 12 months of lease term and low value assets which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

The Group estimates lifetime ECLs, using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(d).

(p) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment loss of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(q) Contract liabilities

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

(r) Employee benefits

Post-employment benefit - defined contribution plans

Obligations for contributions to the Group's provident funds are recognised in profit or loss in the periods during which services are rendered by employees.

Post-employment benefit - defined benefit plans

The Group's net obligation in respect of defined benefit plans are calculated by using actuarial techniques and separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted by using the projected unit credit method to determine the present value of the defined benefit obligation and the current service cost.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

When the benefits of a plan are changed, the resulting change in benefit that relates to past service is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed in profit or loss at the earlier of:

- (1) When the Group can no longer withdraw the offer of those benefits or
- (2) When the Group recognises costs for a restructuring

If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefit obligations are recognised in profit or loss in the periods during which services are rendered by employees.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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(s) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(t) Treasury shares

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

(u) Fair values Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

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(v) Revenue

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

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Dividend income

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

Other income

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

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

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

(w) Income tax

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

Current tax

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

Deferred tax

Deferred tax is recognised, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognised for goodwill which is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and the temporary differences associated with investment in subsidiaries, associates and joint ventures that is probable that it will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings per share*

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

(y) *Segment reporting*

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

4 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak, Thailand and many countries have enacted several protective measures against the outbreak, e.g. the prohibition to enter the country, the travel restriction and mobility, the lock down of the risky area, the conditions and time interval setting for certain activities, social distancing, etc. These have significantly affected the supply chains and international trades, the labor shortages in the industrial sector causing from COVID-19 infections and production interruptions resulting to the inability to utilise full production capacity as well as the obstacles of on-shore and off-shore logistics along with the distributions to various sales channels.

All above factors affected to the production costs from upstream to downstream which caused from increasing in the price of imported raw materials of feed products, resulting in the increment in farm production costs. In addition, the Group applied the bubble and seal measures which affected the increment in the production costs of processing food products. In this regard, the management is closely monitoring the situation, providing co-operation with the government to ensure the sufficiency of food consumption for people along with building confidence of the safety of the Group’s staff and fully attempt to minimise the impact on the business as much as possible.

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5 Acquisition of subsidiaries

5.1 Share acquisition of C.P. Aquaculture (India) Private Limited (“CPA”)

During the second quarter of 2021, the Company and CPF (India) Private Limited (“CPF India”) acquired the ordinary shares of CPA from Charoen Pokphand Group Co., Ltd. (“CPG”), a significant influence entity of the Company, and C.T. Progressive (Investment) Limited (“C.T. Progressive”), which is a related party of the Company, in aggregate of 43.30% of total issued and paid-up shares of CPA for a total consideration of Baht 1,469 million.

CPA is incorporated in India and principally engages in production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing.

The Group obtained control of CPA on 2 April 2021 (“Acquisition date”). The Company paid Baht 1,041 million to CPG for the acquisition of 30.80% ordinary shares when combined with the interests previously held of 31.70%, as a result, the Company held 62.50% interests of issued and paid-up share capital in CPA and on 24 June 2021, CPF India paid Baht 428 million to C.T. Progressive for the acquisition of 12.50% ordinary shares, as a result, the Group held 75.00% interests of issued and paid-up share capital in CPA.

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	<i>(Unit: Million Baht)</i>
	Fair value
Consideration transferred - Cash	1,469
Less net assets received from the additional interests acquired	(1,191)
Goodwill arising from the acquisition	278
<i>Identifiable assets acquired and liabilities assumed</i>	
Cash and cash equivalents	115
Accounts receivable - trade and others	79
Inventories	568
Other current assets	137
Property, plant and equipment	3,763
Other non-current assets	55
Short-term borrowings from financial institutions	(510)
Accounts payable - trade and others	(253)
Other current liabilities	(69)
Long-term borrowings	(441)
Deferred tax liabilities	(351)
Provisions and others	(70)
Net assets	3,023
Less non-controlling interests	(756)
Total net assets received	2,267
Less interests in CPA previously held	(1,076)
Net assets received from the additional interests acquired	1,191

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As at the acquisition date, the Group had to measure the fair value of equity interests in CPA prior to acquisition. The measurement resulted in gain on changes in fair value which was recognised as “Gain on changes in fair value of investment in an associate” in the consolidated statements of income for the year ended 31 December 2021. Details as follows:

	<i>(Unit: Million Baht)</i>
Fair value of equity interests in CPA previously held	1,076
Less investment in CPA accounted for equity method in the Group at the acquisition date	<u>(589)</u>
Gain on changes in fair value of investment in an associate	<u>487</u>

As at 31 December 2021, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3. In this regard, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

The factors contributing to the goodwill are the fact that the Group will enhance flexibility and efficiency in managing the shrimp integrated business in India. Goodwill arising from the business combination is recognised in the consolidated statement of financial position and is not amortised as expenses.

Net consideration paid from acquisition of subsidiary in the statements of cash flows for the year ended 31 December 2021.

	<i>(Unit: Million Baht)</i>
	Fair value
Consideration transferred - Cash	1,469
Less net cash received from acquisition of subsidiary	<u>(115)</u>
Net	<u>1,354</u>

Operating results of CPA for the period from 2 April 2021 to 31 December 2021 included in the consolidated statement of income for the year ended 31 December 2021 has significant details as follows:

	<i>(Unit: Million Baht)</i>
	For the year ended 31 December 2021
Revenue from sale of goods	2,646
Loss for the year attributable to equity holders of the Company	<u>(163)</u>

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5.2 Acquisition of swine business in Russia

During the fourth quarter in 2021, RBPI Voronezh LLC (the “Purchaser”), a 75.82% indirectly owned subsidiary of the Company acquired the swine business in Russia from Tönnies Russland Agrar GmbH, RKS Agrarbeteiligungs GmbH and Tönnies Holding ApS & Co. KG (together referred as “Seller”) of approximately Russian Ruble 23,665 million or approximately Baht 10,858 million for the acquisition of the following:

- (1) Entire shares in Agro-Sojuz TS LLC and Mjaso-Sojuz T LLC (together referred as the “Target Company”); and
- (2) Loans provided by the Seller to the Target Company.

The Group obtained control of the Target Company on 10 December 2021. The Company paid Baht 10,094 million to the Seller for the acquisition of 100.00% ordinary shares of issued and paid-up share capital in the Target Company.

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	<i>(Unit: Million Baht)</i>
	Fair value
Consideration	10,858
Less net assets received	(10,811)
Goodwill arising from the acquisition	47
<i>Consideration</i>	
Cash	10,094
Other payable	764
Total	10,858
<i>Identifiable assets acquired and liabilities assumed</i>	
Cash and cash equivalents	798
Accounts receivable - trade and others	66
Inventories	1,409
Biological assets	1,801
Other current assets	535
Property, plant and equipment	7,136
Other non-current assets	182
Short-term borrowings from financial institutions	(46)
Accounts payable - trade and others	(152)
Other current liabilities	(325)
Long-term borrowings	(316)
Deferred tax liabilities	(108)
Provisions and others	(169)
Net assets	10,811

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As at 31 December 2021, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3. In this regard, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

The factors contributing to the goodwill are the fact that the capacity of the Group will be enhanced to strengthen its swine business expansion in Russia. Goodwill arising from the business combination is recognised in the consolidated statement of financial position and is not amortised as expenses.

Net consideration paid from acquisition of subsidiary in the statements of cash flows for the year ended 31 December 2021.

	<i>(Unit: Million Baht)</i>
	Fair value
Consideration transferred	10,858
<i>Less</i> net cash received from acquisition of subsidiary	(798)
<i>Less</i> other payable	(764)
Net	9,296

If the acquisition of CPA and the Target Company had occurred on 1 January 2021, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the year ended 31 December 2021 would have been as follows:

	<i>(Unit: Million Baht)</i>
	For the year ended 31 December 2021
Revenue from sale of goods	518,821
Profit for the year attributable to equity holders of the Company	13,776

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6 Related party transactions

Related parties are those parties considered to be related to the Group. Related parties have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions or where the Group and parties are subject to common control or common significant influence.

The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 46.49% of the Company's voting rights as of the latest closing date of shareholder register book on 31 August 2021.

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

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
(a) Income				
Significant influence entity				
Sale of goods	1	1	-	-
Software application income	1	1	-	-
Subsidiaries				
Sale of goods	-	-	5,907	4,808
Dividend income	-	-	5,587	11,522
Interest income	-	-	864	1,585
Gain on sale of investments	-	-	266	853
Rental, service and other income	-	-	126	6
Gain on sale of fixed assets	-	-	3	-
Associates, joint ventures and related companies				
Sale of goods	49,475	77,233	1,531	2,023
Rental, service and other income	412	259	15	4
Software application income	236	62	-	-
Dividend income	64	116	86	121
Interest income	48	14	-	-
Training and seminar income	8	5	-	-
Gain on sale of fixed assets	-	2	-	-

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		Consolidated		<i>(Unit: Million Baht)</i>	
		financial statements		Separate	
		2021	2020	2021	2020
(b)	<i>Expenses and others</i>				
	Significant influence entity				
	Purchase of raw materials and goods	11,023	9,526	2,402	2,083
	Trademark license fees	4,304	4,030	310	303
	Technical service fees	103	58	-	-
	Subsidiaries				
	Purchase of raw materials and goods	-	-	1,762	1,691
	Software application fees	-	-	178	147
	Interest expense	-	-	78	364
	Cost of right-of-use assets	-	-	54	-
	Training and seminar fees	-	-	18	13
	Rental and service fees	-	-	8	8
	Purchase of intangible assets	-	-	-	1
	Other expenses	-	-	58	54
	Associates, joint ventures and related companies				
	Purchase of raw materials and goods	46,345	76,645	1,025	694
	Construction costs of buildings, structures and others	2,427	2,362	42	71
	Rental and service fees	855	1,189	76	112
	Cost of right-of-use assets	674	1,097	69	182
	Purchase of equipment and others	247	206	35	20
	Trademark license fees	247	64	-	-
	Software application fees	213	162	-	-
	Training and seminar fees	208	526	6	12
	Interest expense	44	19	-	-
	Purchase of trademarks	-	377	-	-
	Loss on sale of fixed assets	52	-	-	-
	Other expenses	2,146	1,737	116	128
(c)	<i>Business acquisition</i>				

The Company and CPF (India) Private Limited acquired the ordinary shares of C.P. Aquaculture (India) Private Limited from Charoen Pokphand Group Company Limited, a significant influence entity of the Company and C.T. Progressive (Investment) Limited which is a related party of the Company. As at 31 December 2021, the transaction was completed and disclosed in note 5.1.

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

6.2.1 Accounts receivable - trade and others

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
Significant influence entity	2	1	-	-
Subsidiaries	-	-	671	523
Associates and joint ventures	7,258	4,680	61	37
Related companies	5,035	3,772	1,174	593
Total	12,295	8,453	1,906	1,153

6.2.2 Short-term loans to related parties

	(Unit: Million Baht)			
	Separate financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Subsidiaries	6,876	20,024	13,280	23,912
Total	6,876	20,024	13,280	23,912

6.2.3 Advance payments for purchase of goods

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
Associates and joint ventures	65	41	-	-
Related companies	2,344	725	-	-
Total	2,409	766	-	-

6.2.4 Accrued dividend income

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
Associates	172	3,729	-	-
Related companies	-	38	-	-
Total	172	3,767	-	-

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6.2.5 Long-term loans to related parties

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Associates	49	49	49	44
Less current portion	(12)	-	-	-
Net	37	49	49	44

	<i>(Unit: Million Baht)</i> Separate financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Subsidiary	570	570	570	575
Total	570	570	570	575

As at 31 December 2021, the loans bear interest at 2.81% to 5.88% per annum (2020: 2.81% to 5.88% per annum). The Group and the Company compute the average balance from the outstanding balances of the loans at the end of each month excluding accrued interest income.

6.2.6 Accounts payable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Significant influence entity	435	1,167	79	71
Subsidiaries	-	-	72	62
Associates and joint ventures	7,565	4,573	6	7
Related companies	6,663	6,146	108	59
Total	14,663	11,886	265	199

6.2.7 Short-term borrowings from related parties

	<i>(Unit: Million Baht)</i> Consolidated financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Associates and joint ventures	837	414	779	84
Related companies	619	9	360	1
Total	1,456	423	1,139	85

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6.2.7 Short-term borrowings from related parties (Continued)

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Subsidiaries	-	13,251	1,315	9,968
Total	-	13,251	1,315	9,968

As at 31 December 2021, the borrowings bear interest at 4.02% to 5.27% per annum (2020: 3.52% to 6.50% per annum). The Group and the Company compute the average balance from the outstanding balances of the borrowings at the end of each month excluding accrued interest expense.

6.2.8 Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Subsidiary	-	-	54
Associates	578	553	-	-
Related companies	2,747	3,048	200	264
Total	3,325	3,601	254	306

6.3 Key management personnel compensation

Key management personnel compensation consists of:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>For the year ended 31 December</i>				
Short-term employee benefits	1,868	1,556	249	205
Post-employment under defined benefit plans	25	26	5	5
Total	1,893	1,582	254	210
<i>As at 31 December</i>				
Provisions for employee benefits	615	627	98	98
Total	615	627	98	98

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6.4 Commitments

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

Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	<u>905</u>	<u>318</u>	<u>2</u>	<u>2</u>

6.5 Significant agreements

As at 31 December 2021, the Group had the following significant agreements with related parties:

6.5.1 Technical service agreement

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

6.5.2 Trademark agreements

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

6.5.3 Application system service agreement

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

6.5.4 Service agreements for import and export transactions

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

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6.5.5 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.

6.5.6 Agreements for share service

The Company has share service agreements with certain subsidiaries to provide services as stipulated in the agreements such as services related to policy and accounting principles, compliance, legal and financial management and financing. In this regard, the subsidiaries are committed to pay the service fees to the Company in accordance with the terms, conditions and rates as stipulated in the agreements.

7 Cash and cash equivalents

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Cash at financial institutions and on hand	30,040	46,116	2,679	2,812
Highly liquid short-term investments	6,646	10,919	-	-
Total	36,686	57,035	2,679	2,812

8 Inventories

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Raw materials	40,765	25,419	1,525	1,286
Chemicals and supplies	3,662	2,840	186	161
Work in progress	2,841	1,950	289	243
Finished goods	18,841	16,220	759	1,123
Inventories in transit	8,438	6,441	42	8
Total	74,547	52,870	2,801	2,821
<i>Less allowance for decline in value of inventories</i>	<i>(1,116)</i>	<i>(734)</i>	<i>(17)</i>	<i>(45)</i>
Net	73,431	52,136	2,784	2,776

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2021 in the consolidated and the separate statement of income amounting Baht 330,559 million and Baht 17,104 million, respectively (2020: Baht 386,670 million and Baht 14,641 million, respectively).

In 2021, the Group and the Company recognised losses for decline in value of inventories of Baht 382 million (2020: Baht 181 million) and recognised a reversal of allowance for decline in value of inventories of Baht 28 million (2020: Baht 61 million) respectively.

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9 Biological assets

Movements during the years ended 31 December were as follows:

	Note	Consolidated		(Unit: Million Baht)	
		financial statements		Separate	
		2021	2020	2021	2020
At 1 January		47,456	45,161	985	1,059
Acquired through business combination	5	1,801	383	-	-
Increase due to purchase/raise		168,429	146,122	7,514	7,736
Decrease due to sale/harvest		(153,997)	(137,665)	(7,435)	(7,588)
Depreciation		(6,492)	(6,016)	(106)	(133)
Losses on change in fair value less costs to sell		(2,381)	(270)	-	-
Currency translation differences		3,413	(178)	-	-
Others		(316)	(81)	(169)	(89)
Balance at 31 December		57,913	47,456	789	985
Current					
Livestock		46,059	37,004	-	-
Aquatic		1,896	1,921	789	985
Total current		47,955	38,925	789	985
Non-current					
Livestock		9,958	8,531	-	-
Total non-current		9,958	8,531	-	-
Total		57,913	47,456	789	985

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

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

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

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

	<i>(Unit: Tons)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Livestock	987,624	938,389	-	-
Aquatic	25,291	24,385	3,945	4,325

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

Fair value measurement

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

	Carrying amount	<i>(Unit: Million Baht)</i>			
		Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2021					
Biological assets at fair value					
less costs to sell	13,130	-	6,802	6,328	13,130
31 December 2020					
Biological assets at fair value					
less costs to sell	19,452	-	3,132	16,320	19,452

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

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

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	Reference market price as at 31 December 2021 <ul style="list-style-type: none"> • Suckling swine Baht 2,909 per head • Weanling swine Baht 2,356 per head • Fattening swine Baht 76 per kilogram • Sow Baht 11,840 to Baht 16,704 per head 	On the reporting date, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by Baht 1,915 million.

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

10 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
At 1 January	-	-	227,368	191,466
Acquisitions/additional investments	-	-	1,645	40,145
Disposals	-	-	(34)	(4,187)
Impairment losses	-	-	-	(56)
At 31 December	-	-	228,979	227,368

During the year 2021, the Company sold 99.99% of its interest in CP Food Singapore Pte Ltd. with the carrying amount of Baht 34 million. The Company recognised gains on sale of investments of Baht 266 million.

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Details of investments in subsidiaries

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

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
	2021	2020	2021	2020	2021	2020	2021	2020
Marketable securities								
C.P. Pokphand Co., Ltd.	4.98	4.98	4,691	4,691	-	-	4,691	4,691
Chia Tai Enterprises International Limited	4.98	4.98	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	1,230	1,230	-	-	1,230	1,230
CPF (Thailand) Public Company Limited	99.99	99.99	48,510	48,510	-	-	48,510	48,510
CPF Training Center Co., Ltd.	99.99	99.99	20	20	-	-	20	20
CPF IT Center Co., Ltd.	99.99	99.99	250	250	-	-	250	250
C.P. Merchandising Co., Ltd.	87.54	87.54	38,999	38,999	-	-	38,999	38,999
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	-	-	500	500
Bellisio Investment, LLC	100.00	100.00	37,072	37,072	-	-	37,072	37,072
C.P. Aquaculture (India) Private Limited	62.50	-	1,217	-	-	-	1,217	-
C.P. Aquaculture (Hainan) Co. Ltd.	100.00	100.00	126	126	-	-	126	126
C.P. Foods Holdings Limited	100.00	100.00	1	1	-	-	1	1
C.P. Foods International Limited	100.00	100.00	1	1	-	-	1	1
CP Foods Capital Limited	100.00	100.00	1	1	-	-	1	1
CP Foods Singapore Pte Ltd.	-	100.00	-	34	-	-	-	34
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	(8)	(8)	-	-
Charoen Pokphand Foods (Overseas) LLC	8.15	8.15	1,394	1,394	(1,141)	(1,141)	253	253

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Details of investments in subsidiaries (Continued)

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
	2021	2020	2021	2020	2021	2020	2021	2020
Charoen Pokphand Foods Philippines Corporation	23.81	23.81	1,055	1,055	-	-	1,055	1,055
CPF Investment Limited	100.00	100.00	55,644	55,644	-	-	55,644	55,644
CPF Tanzania Limited	58.26	58.26	129	129	(129)	(129)	-	-
CPF Netherlands B.V.	99.99	99.99	38,148	38,148	-	-	38,148	38,148
CPF Poland S.A.	66.67	66.67	245	124	-	-	245	124
Homegrown Shrimp (USA) LLC	100.00	100.00	516	209	-	-	516	209
Total			225,066	223,455	(1,278)	(1,278)	223,788	222,177
Grand Total			230,257	228,646	(1,278)	(1,278)	228,979	227,368

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11 Non-controlling interests

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

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2021	2020	2021	2020	2021	2020
Non-controlling interests percentage*	47.75	47.76	49.57	49.57	61.00	61.00
Current assets	64,617	73,065	4,138	2,847	8,356	6,086
Non-current assets	158,336	142,935	9,262	8,227	22,891	17,900
Current liabilities	(52,270)	(42,277)	(1,957)	(1,253)	(8,404)	(6,248)
Non-current liabilities	(45,152)	(40,946)	(1,058)	(1,419)	(9,051)	(5,299)
Net assets	125,531	132,777	10,385	8,402	13,792	12,439
Goodwill of non-controlling interests	5,085	4,597	-	-	-	-
Carrying amount of non-controlling interests**	57,403	58,609	3,742	2,820	7,842	6,868

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

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

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

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2021	2020	2021	2020	2021	2020
Revenue	143,524	313,944	5,267	3,046	28,645	23,906
Profit (loss) for the year	(1,347)	74,808	851	535	1,510	1,688
Other comprehensive income (expense)	16,085	(3,315)	1,021	461	734	434
Total comprehensive income	14,738	71,493	1,872	996	2,244	2,122
Profit (loss) attributable to non-controlling interests	(546)	17,031	444	(213)	903	1,137
Other comprehensive income (expense) attributable to non-controlling interests	6,529	(755)	401	172	439	292
Cash flows from operating activities	1,249	29,368	(350)	121	845	2,807
Cash flows from investing activities	(3,942)	(24,594)	(340)	(326)	(3,877)	(3,350)
Cash flows from financing activities	(10,520)	(2,324)	644	7	2,961	(434)
Effect of exchange rate changes on balances held in foreign currencies	99	961	7	32	(2)	(13)
Net increase (decrease) in cash and cash equivalents	(13,114)	3,411	(39)	(166)	(73)	(990)
Dividend paid to non-controlling interests	4,973	3,772	-	119	849	1,054

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12 Investments in associates

Movements during the years ended 31 December were as follows:

	Note	<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
At 1 January		217,839	105,893	5,534	335
Acquisition/additional investments		55,130	46,716	-	5,378
Disposals		(54,875)	(1,572)	(3,712)	(179)
Share of profit		3,576	7,133	-	-
Share of other comprehensive income		5,921	937	-	-
Dividend income		(4,789)	(6,568)	-	-
Previously held interest in subsidiary before status change to associate		-	71,045	-	-
Disposal of previously held interest in associate from loss control in a subsidiary		-	(3,489)	-	-
Previously held interest in associate before status change to subsidiary	5	(1,076)	(1,269)	(176)	-
Changes in fair value of previously held interest in associate before status change to subsidiary	5	487	(53)	-	-
Gain from swap investment with shares		7,849	-	-	-
Others		366	(934)	-	-
At 31 December		230,428	217,839	1,646	5,534

The Group accounts for the investment in CP ALL Public Company Limited (“CPALL”) and Siam Makro Public Company Limited (“Makro”), which are listed companies in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2021, the fair value of the investments were Baht 180,181 million and Baht 39,315 million, respectively (2020: fair value of investment in CPALL of Baht 178,476 million).

During the fourth quarter of 2021, C.P. Retail Holding Co., Ltd. (“CPRH”), a 20.00% indirectly owned associate of the Company through C.P. Merchandising Co., Ltd. (“CPM”) has entire business transfer (“EBT”) to Makro whereby Makro issued and allocated up to 5,010,323,500 new ordinary shares of the Company with a par value of Baht 0.50 each at the offering price of Baht 43.50 per share, totalling Baht 217,949 million, to CPRH as a consideration of the EBT as payment in kind.

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On 25 October 2021, the EBT of CPRH had been completed, CPRH proceeded with dissolution and started the liquidation process on the same day. CPRH transferred all remaining assets, including shares in Makro, to CPRH's shareholders in proportion to their respective shareholding by which CPM received 1,002,064,700 shares of Makro. As a result, the Group indirectly held 10.21% interest in Makro. The purchase price allocation is a judgemental exercise to determine the fair value of assets acquired and liabilities assumed from the acquisition. The resulting differences were recognised as goodwill of Baht 22,755 million as part of investment in associate accounted for using the equity method in the consolidated statement. However, the assessment of fair value was not yet completed as at 31 December 2021. The fair value is estimated for accounting records.

On the acquisition date, the carrying amount of investment in CPRH in the consolidated financial statement was Baht 40,751 million. The fair value of investment in Makro was Baht 48,600 million. In this regard, the Group has gain on swap investment with shares in the consolidated statement of income amount of Baht 7,849 million.

Upon receiving of Makro shares as mentioned above, CPM made a mandatory tender offer for all securities in Makro at the price of Baht 43.50 per share during 27 October - 30 November 2021. CPM purchased 1,372 shares in Makro with the total value of Baht 0.06 million.

During 4 - 9 December 2021, Makro issued and offered ordinary shares to the public (Public offering or "PO"). CPM also offered ordinary shares in Makro to the public for 66,000,000 shares. After the completion of the PO, CPM retains 936,066,072 ordinary shares in Makro. As a result, the Group indirectly holds 8.85% in Makro.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

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Details of investments in associates

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

(Unit: Million Baht)

Consolidated financial statements											
Country of operation	Ownership interest (both direct and indirect)		Cost method		Equity method		Accumulated impairment		At equity - net		
	(%)										
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Marketable securities											
CP ALL Public Company Limited	Thailand	33.99	34.10	87,929	85,163	108,271	103,208	-	-	108,271	103,208
Siam Makro Public Company Limited *	Thailand	8.85	-	45,451	-	45,591	-	-	-	45,591	-
Total				133,380	85,163	153,862	103,208	-	-	153,862	103,208
Non-marketable securities											
C.P. Retail Holding Co., Ltd	Thailand	-	20.00	-	40,973	-	40,931	-	-	-	40,931
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	172	163	-	-	172	163
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	35	35	153	151	-	-	153	151
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	30	23	10	15	-	-	10	15
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	2	2	240	206	-	-	240	206
A.P.P Enterprise INC.	Philippines	39.60	39.60	-	-	8	117	-	-	8	117
BHJ Kalino Food AB **	Sweden	15.08	15.08	24	24	29	26	-	-	29	26
C.P. Aquaculture (India) Private Limited	India	-	31.70	-	176	-	595	-	-	-	595

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Details of investments in associates (Continued)

(Unit: Million Baht)

Consolidated financial statements											
	Country of operation	Ownership interest (both direct and indirect)		Paid-up share capital		Equity method		Accumulated impairment		At equity - net	
		(%)		2021	2020	2021	2020	2021	2020	2021	2020
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	China	26.12	26.12	8	8	4	4	-	-	4	4
Chia Tai Conti (Cixi) Investment Management Co., Ltd.	China	18.29	18.28	71,045	71,045	73,250	70,484	-	-	73,250	70,484
Chia Tai Investment Co., Ltd. ***	China	23.77	0.52	4	-	4	-	-	-	4	-
Cixi Zhuda Investment Centre Limited Partnership	China	26.12	26.12	1,052	1,052	916	1,409	-	-	916	1,409
Conti Chia Tai International Limited	Poland	26.67	-	-	-	-	-	-	-	-	-
Rosleko Sp. z o.o.	Vietnam	16.48	-	1,193	-	1,190	-	-	-	1,190	-
Sao Ta Foods Joint Stock Company ****	China	14.12	14.12	424	424	590	530	-	-	590	530
Zhan Jiang Deni Carburetor Co., Ltd. *****											
Total				73,977	113,922	76,566	114,631	-	-	76,566	114,631
Grand total				207,357	199,085	230,428	217,839	-	-	230,428	217,839

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* Makro is an associate in which 8.85% of the total issued and paid share capital was held by CPM, a 99.99% directly owned subsidiary. The Group exercises significant influence in Makro by having representatives in the board of directors and involving in setting the policy and making the significant decisions of Makro. The Group accounted its investment in Makro using the equity method in the consolidated financial statements.

** BHI Kalino Food AB (“BHI”) is an associate in which 29.00% of the total issued and paid share capital was held by CPF Denmark A/S, a 51.99% 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 financial statements.

*** Chia Tai Investment Co., Ltd. (“CTI”) is an associate in which 35.00% of the total issued and paid-up share capital was held by C.P. Pokphand Co., Ltd. (“CPP”), a 52.25% directly and indirectly owned subsidiary. Therefore, the Group accounted for its investments in CTI using the equity method based on 18.29% shareholding in the consolidated financial statements. In this regard, CPP exercises significant influence in these companies by having representatives in the board of directors and involving in setting the policy and making the significant decisions for them.

**** Sao Ta Foods Joint Stock Company (“Sao Ta”) is an associate in which 24.90% of the total issued and paid-up share capital was held by C.P. Vietnam Corporation, a 66.18% indirectly owned subsidiary. In this regard, the Group accounted for its investment in Sao Ta using the equity method based on 16.48% shareholding in the consolidated financial statements.

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

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Details of investments in associates (Continued)

(Unit: Million Baht)

	Country of operation	Ownership interest		Separate financial statements					
		(<i>%</i>)		Cost method		Accumulated impairment		At cost - net	
		2021	2020	2021	2020	2021	2020	2021	2020
<i>Marketable security</i>									
CP ALL Public Company Limited	Thailand	0.28	0.97	1,486	5,198	-	-	1,486	5,198
Total				1,486	5,198	-	-	1,486	5,198
<i>Non-marketable securities</i>									
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	-	-	160	160
C.P. Aquaculture (India) Private Limited	India	-	31.70	-	176	-	-	-	176
Lotus Distribution International Company Limited	British Virgin Islands	20.50	20.50	1	1	(1)	(1)	-	-
Total				161	337	(1)	(1)	160	336
Grand Total				1,647	5,535	(1)	(1)	1,646	5,534

CP ALL Public Company Limited (“CP ALL”) is an associate in which 0.28% of the total issued and paid share capital was held by the Company and is treated as investment in associate by having representatives in the board of directors and involving in setting the policy and making the significant decisions. The Company accounted for the investment in CP ALL using the cost method in the separate financial statements.

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Significant associates

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

	<i>(Unit: Million Baht)</i>					
	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		Siam Makro Public Company Limited and subsidiaries	C.P. Retail Holding Co., Ltd.*
	2021	2020	2021	2020	2021	2020
<i>Financial information of the associate</i>						
Revenue	594,085	546,527	224,058	32,455	74,049	9,716
Profit (loss) from continuing operations	11,987	16,503	(4,669)	6,167	1,488	(158)
Other comprehensive income (expense)	1,834	598	26,924	(520)	(140)	(48)
Total comprehensive income (expense)	13,821	17,101	22,255	5,647	1,348	(206)
Attributable to non-controlling interests	(933)	400	700	-	1	-
Attributable to the equity holder of the associate	14,754	16,701	21,555	5,647	1,347	(206)
Current assets	165,773	81,404	88,111	79,895	110,000	44,786
Non-current assets	766,680	441,950	279,904	220,385	459,549	131,242
Current liabilities	(214,888)	(203,003)	(103,733)	(71,153)	(118,211)	(165,407)
Non-current liabilities	(424,758)	(208,756)	(46,776)	(26,187)	(162,781)	(37,289)
Net assets	292,807	111,595	217,506	202,940	288,557	(26,668)
Attributable to non-controlling interests	204,035	31,243	6,816	6,415	501	7
Attributable to the equity holder of the associate	88,773	80,352	210,690	196,525	288,056	(26,675)

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(Unit: Million Baht)

	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		Siam Makro Public Company Limited and subsidiaries	C.P. Retail Holding Co., Ltd.*
	2021	2020	2021	2020	2021	2020
<i>Reconciliation of the carrying amount of the interests in the associate</i>						
Group's interest in net assets of the associate at 1 January / acquisition date	27,400	25,845	35,759	-	25,900	(5,294)
Total comprehensive income attributable to the Group	5,012	5,678	3,941	1,128	149	(41)
Dividends received during year	(2,760)	(3,801)	(1,284)	(1,689)	-	-
Impact from change in accounting policy	-	(479)	-	-	-	-
Difference from change in ownership	522	157	108	36,496	(564)	-
Group's interests in net assets of the associate at end of year	30,174	27,400	38,524	35,935	25,485	(5,335)
Goodwill	78,097	75,808	34,725	34,549	20,051	45,304
Transaction costs	-	-	-	-	55	165
Transfer from cash flow hedge reserve	-	-	-	-	-	797
Carrying amount of the interests in the associate at 31 December	108,271	103,208	73,249	70,484	45,591	40,931

* Closed in 2021

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Immaterial associates

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

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2021	2020
Carrying amount of interests in immaterial associates	3,317	3,216
Group's share of:		
- Profit from continuing operations	200	560
- Other comprehensive income	29	326
- Total comprehensive income	229	886

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

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2021	2020
Group's share of contingent liabilities	-	13

13 Investments in joint ventures

Movements during the years ended 31 December were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i>	
	financial statements		Separate financial statements	
	2021	2020	2021	2020
At 1 January	21,014	19,434	4,360	4,360
Acquisition/additional investments	798	359	-	-
Share of profit	591	2,121	-	-
Share of other comprehensive income	1,142	232	-	-
Dividend income	(1,133)	(525)	-	-
Transfer previously held interest in joint venture before status change to subsidiary	-	(29)	-	-
Disposal of previously held interest in joint venture from loss control in a subsidiary	-	(572)	-	-
Others	-	(6)	-	-
At 31 December	22,412	21,014	4,360	4,360

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Details of investments in joint ventures

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

(Unit: Million Baht)

Consolidated financial statements											
Country of operation	Ownership interest (both direct and indirect)		Cost method		Equity method		Accumulated impairment		At equity - net		
	(%)										
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
<i>Non-marketable securities</i>											
CP-Meiji Co., Ltd. (“CP-Meiji”)*	Thailand	59.99	59.99	1,200	1,200	2,859	2,664	-	-	2,859	2,664
Andhra Pradesh Broodstock Multiplicationcentre Private Limited**	India	74.99	74.99	98	98	90	91	-	-	90	91
Camamor Produtos Marinhos S.A.	Brazil	40.00	40.00	566	566	373	409	-	-	373	409
CP-MP Logistics Joint Stock Company	Vietnam	32.43	32.43	4	4	2	2	-	-	2	2
ECI Metro Enterprises (Hong Kong) Co., Ltd.	Hong Kong	25.21	25.21	-	-	-	-	-	-	-	-
ECI Metro Investment Co., Ltd.	China	25.21	25.21	1,296	1,296	3,174	2,986	-	-	3,174	2,986
Feng Sheng Livestock Co., Ltd.	Taiwan	19.51	19.51	107	107	112	107	-	-	112	107
HyLife Group Holdings Ltd.**	Canada	50.10	50.10	10,703	9,988	12,344	11,272	-	-	12,344	11,272
SuperDrob S.A.	Poland	49.45	49.45	3,794	3,794	3,366	3,476	-	-	3,366	3,476
Well Well Invest S.A.	Poland	33.33	-	83	-	86	-	-	-	86	-
Westbridge Foods Holding B.V.**	Netherlands	49.99	49.99	6	6	6	7	-	-	6	7
Total				17,857	17,059	22,412	21,014	-	-	22,412	21,014

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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 financial statements.

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

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

Immaterial joint ventures

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

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Carrying amount of interests in immaterial joint ventures	<u>22,412</u>	<u>21,014</u>
Group's share of:		
- Profit from continuing operations	591	2,121
- Other comprehensive income	<u>1,142</u>	<u>229</u>
- Total comprehensive income	<u>1,733</u>	<u>2,350</u>

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

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Group's share of the commitments	758	627

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Details of investments in joint ventures (Continued)

(Unit: Million Baht)

Separate financial statements

	Country of operation	Ownership interest		Cost method		Accumulated impairment		At cost - net	
		<i>(%)</i>		2021	2020	2021	2020	2021	2020
		2021	2020	2021	2020	2021	2020	2021	2020
<i>Non-marketable securities</i>									
Camanor Produtos Marinhos S.A.	Brazil	40.00	40.00	566	566	-	-	566	566
SuperDrob S.A.	Poland	49.45	49.45	3,794	3,794	-	-	3,794	3,794
Total				4,360	4,360	-	-	4,360	4,360

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14 Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements					Total
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Others	Assets under construction and installation	
Cost/revaluation						
At 1 January 2020	33,489	114,160	112,410	14,137	21,001	295,197
Additions	184	430	1,503	1,210	24,381	27,708
Acquired through business acquisitions	104	1,445	826	48	41	2,464
Surplus on revaluation	14,866	-	-	-	-	14,866
Transfers	460	9,301	8,464	739	(19,302)	(338)
Transfers from investment properties	-	133	-	26	-	159
Transfers to investment properties	(82)	(35)	-	-	-	(117)
Disposals from loss control of subsidiaries	(370)	(17,926)	(17,126)	(3,099)	(4,596)	(43,117)
Disposals	(29)	(798)	(1,917)	(672)	(4)	(3,420)
Currency translation differences	480	506	2,282	(65)	(433)	2,770
At 31 December 2020 and 1 January 2021	49,102	107,216	106,442	12,324	21,088	296,172
Additions	74	378	1,714	1,283	21,022	24,471
Acquired through business acquisitions	2,907	5,756	2,432	366	49	11,510
Surplus on revaluation	222	-	-	-	-	222
Transfers	424	8,802	7,636	1,990	(18,999)	(147)
Transfers from investment properties	273	28	-	-	-	301
Disposals	(254)	(1,182)	(2,251)	(792)	(33)	(4,512)
Currency translation differences	1,072	6,434	6,564	769	2,145	16,984
At 31 December 2021	53,820	127,432	122,537	15,940	25,272	345,001

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14 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Consolidated financial statements					Total
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	
<i>Accumulated depreciation and impairment losses</i>						
At 1 January 2020	-	(40,020)	(51,580)	(9,272)	-	(100,872)
Depreciation charge for the year	-	(6,062)	(8,881)	(1,354)	-	(16,297)
Impairment losses	-	(158)	(63)	(3)	-	(224)
Transfers	-	213	(161)	(21)	-	31
Disposals from loss control of subsidiaries	-	7,322	9,835	2,244	-	19,401
Disposals	-	587	1,533	620	-	2,740
Currency translation differences	-	83	(968)	72	-	(813)
At 31 December 2020 and 1 January 2021	-	(38,035)	(50,285)	(7,714)	-	(96,034)
Depreciation charge for the year	-	(5,911)	(9,178)	(1,384)	-	(16,473)
Reversal of impairment losses	-	227	40	6	-	273
Transfers	-	109	13	85	-	207
Disposals	-	731	1,749	490	-	2,970
Currency translation differences	-	(2,166)	(2,863)	(408)	-	(5,437)
At 31 December 2021	-	(45,045)	(60,524)	(8,925)	-	(114,494)
<i>Net book value</i>						
At 31 December 2020	49,102	69,181	56,157	4,610	21,088	200,138
At 31 December 2021	53,820	82,387	62,013	7,015	25,272	230,507

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14 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Separate financial statements					Total
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	
Cost/revaluation						
At 1 January 2020	6,383	12,536	11,418	1,044	487	31,868
Additions	-	-	65	20	251	336
Surplus on revaluation	2,838	-	-	-	-	2,838
Transfers	-	151	465	2	(621)	(3)
Disposal	-	(80)	(272)	(29)	-	(381)
At 31 December 2020 and 1 January 2021	9,221	12,607	11,676	1,037	117	34,658
Additions	-	-	89	27	174	290
Transfers	-	54	132	5	(191)	-
Disposal	-	(118)	(137)	(15)	-	(270)
At 31 December 2021	9,221	12,543	11,760	1,054	100	34,678
Accumulated depreciation and impairment losses						
At 1 January 2020	-	(7,857)	(7,966)	(953)	-	(16,776)
Depreciation charge for the year	-	(671)	(693)	(41)	-	(1,405)
Disposals	-	68	261	29	-	358
At 31 December 2020 and 1 January 2021	-	(8,460)	(8,398)	(965)	-	(17,823)
Depreciation charge for the year	-	(631)	(637)	(36)	-	(1,304)
Disposals	-	104	118	14	-	236
At 31 December 2021	-	(8,987)	(8,917)	(987)	-	(18,891)
Net book value						
At 31 December 2020	9,221	4,147	3,278	72	117	16,835
At 31 December 2021	9,221	3,556	2,843	67	100	15,787

Capitalised borrowing cost in 2021 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 335 million and Baht 2 million, respectively (2020: Baht 434 million and Baht 4 million, respectively) is recognised as a part of cost of assets.

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Fair value measurement

Appraisal prices of the Group and the Company's land were valued by the independent professional valuers using Market Comparison Approach, at fair market values totalling Baht 53,820 million and Baht 9,221 million, respectively (2020: Baht 49,102 million and Baht 9,221 million, respectively).

The fair value measurement for the land has been categorised as a Level 2 amount Baht 254 million and a Level 3 amount Baht 53,566 million fair value based on the inputs to the valuation technique used (2020: a Level 2 amount Baht 254 million and a Level 3 amount Baht 48,848 million).

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

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

15 Leases

As a lessee

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<i>Right-of-use assets</i>				
Land and buildings	27,459	25,701	121	173
Equipment	2,002	1,987	73	31
Vehicles	1,440	1,357	179	219
Leasehold rights	3,763	3,328	-	-
Total	<u>34,664</u>	<u>32,373</u>	<u>373</u>	<u>423</u>

In 2021, additions to the right-of-use assets of the Group and the Company were Baht 5,915 million and Baht 215 million, respectively (2020: Baht 6,590 million and Baht 316 million, respectively).

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 57 years expiring in 2022 to 2078.

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<i>For the year ended 31 December</i>	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land and buildings	3,955	3,810	144	133
- Equipment	425	283	12	11
- Vehicles	609	559	106	82
Interest on lease liabilities	2,703	2,469	11	12
Expenses relating to short-term leases	1,718	1,633	52	91
Expenses relating to leases of low-value assets	22	34	1	1
Variable lease payments based on sales	74	55	3	-
Lease expense	1,814	1,722	56	92
Contingent rent expense	656	2,155	3	4

In 2021, total cash outflow for leases of the Group and the Company were Baht 6,860 million and Baht 316 million, respectively (2020: Baht 6,704 million and Baht 322 million, respectively).

16 Goodwill

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2021	2020
<i>Cost</i>		
At 1 January	60,666	89,942
Acquired through business acquisitions	656	38
Fair value adjustments	-	(1)
Disposals from loss control of subsidiary	-	(28,547)
Currency translation differences	5,596	(766)
At 31 December	66,918	60,666
<i>Impairment loss</i>		
At 1 January	(6,101)	(2,180)
Impairment loss	-	(3,921)
At 31 December	(6,101)	(6,101)
<i>Net book value</i>		
At 1 January	54,565	87,762
At 31 December	60,817	54,565

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

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Impairment testing

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

In this regard, the preparation of future cash flows that the Group expects to receive is derived from the determination of financial assumptions based on the management's assessment by considering the factors related to future trends in the relevant industries and historical financial data from external and internal sources of information.

The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as targeted capital structure, cost of debt and cost of equity.

Terminal growth rate

Terminal growth rates were determined based on average consumer price index, inflation rates, growth rates of the relevant industries of the countries of the operation and the long-term growth plan as well as the comparable businesses in the same industries.

Budgeted future cash flow that the Group expects to receive

Budgeted future cash flow that the Group expects to receive comprises of budgeted revenue growth, costs and related expenses, by taking the average growth rate in the past, budgeted sale quantities, selling price, and expenses into account and referencing to future trend of market growth along with the business strategies and the operation of the Group in the future.

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17 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements				
	Development cost of software applications	Development cost of products	Customer relationships	Trademarks, rights and others	Total
Cost					
At 1 January 2020	760	1,824	6,721	11,862	21,167
Additions	63	88	-	460	611
Acquired through					
business acquisitions	-	-	-	4	4
Transfers	45	1	-	7	53
Disposals from loss control of a subsidiary	-	-	(1,516)	(2,696)	(4,212)
Disposals	-	-	-	(37)	(37)
Currency translation differences	1	16	188	325	530
At 31 December 2020 and 1 January 2021	869	1,929	5,393	9,925	18,116
Additions	168	5	-	124	297
Acquired through					
business acquisitions	3	-	-	-	3
Transfers	17	71	-	(5)	83
Disposals	(38)	-	-	(17)	(55)
Currency translation differences	44	189	560	872	1,665
At 31 December 2021	1,063	2,194	5,953	10,899	20,109
Accumulated amortisation					
1 January 2020	(493)	(359)	(1,586)	(4,324)	(6,762)
Amortisation charge for the year	(67)	(121)	(490)	(481)	(1,159)
Transfers	-	-	-	1	1
Disposals from loss control of a subsidiary	-	-	536	2,646	3,182
Disposals	-	-	-	11	11
Currency translation differences	(1)	1	(44)	(202)	(246)
At 31 December 2020 and 1 January 2021	(561)	(479)	(1,584)	(2,349)	(4,973)
Amortisation charge for the year	(73)	(148)	(420)	(440)	(1,081)
Disposals	5	-	-	13	18
Currency translation differences	(34)	(55)	(177)	(158)	(424)
At 31 December 2021	(663)	(682)	(2,181)	(2,934)	(6,460)
Net book value					
At 31 December 2020	308	1,450	3,809	7,576	13,143
At 31 December 2021	400	1,512	3,772	7,965	13,649

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17 Other intangible assets (Continued)

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
<i>Cost</i>			
At 1 January 2020	7	106	113
Transfers	-	2	2
At 31 December 2020 and 1 January 2021	7	108	115
Additions	-	1	1
Disposals	-	(5)	(5)
At 31 December 2021	7	104	111
<i>Accumulated amortisation</i>			
At 1 January 2020	(6)	(79)	(85)
Amortisation charge for the year	-	(6)	(6)
At 31 December 2020 and 1 January 2021	(6)	(85)	(91)
Amortisation charge for the year	-	(6)	(6)
Disposals	-	5	5
At 31 December 2021	(6)	(86)	(92)
<i>Net book value</i>			
At 31 December 2020	1	23	24
At 31 December 2021	1	18	19

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18 Interest-bearing liabilities

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<i>Current</i>					
	Bank overdrafts and short-term borrowings from financial institutions	70,992	63,846	-	5,400
	Bills of exchange	17,964	38,754	8,488	18,158
	Short-term borrowing from subsidiaries	6	-	-	13,251
	Short-term borrowings from related parties	6	1,456	-	423
	Total	<u>90,412</u>	<u>103,023</u>	<u>8,488</u>	<u>36,809</u>
<i>Current portion of long-term debts</i>					
	Long-term borrowings from financial institutions	27,465	13,692	683	-
	Debentures	11,600	20,450	11,600	8,500
	Exchangeable bond	-	2,885	-	-
	Lease liabilities	4,439	4,173	146	217
	Total	<u>43,504</u>	<u>41,200</u>	<u>12,429</u>	<u>8,717</u>
	Total current	<u>133,916</u>	<u>144,223</u>	<u>20,917</u>	<u>45,526</u>
<i>Non-current</i>					
	Long-term borrowings from financial institutions	101,733	79,178	2,467	2,858
	Debentures	190,190	156,790	111,140	92,740
	Exchangeable bond	9,317	8,228	-	-
	Lease liabilities	29,461	27,692	225	186
	Total non-current	<u>330,701</u>	<u>271,888</u>	<u>113,832</u>	<u>95,784</u>
	Grand total	<u>464,617</u>	<u>416,111</u>	<u>134,749</u>	<u>141,310</u>

Long-term borrowings from financial institutions

As at 31 December 2021, certain foreign subsidiaries had secured long-term borrowings totalling Baht 25,783 million (2020: Baht 15,857 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 13,731 million (2020: Baht 11,156 million), current and non-current assets mainly comprising of leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 7,252 million (2020: Baht 6,339 million), ordinary shares of a foreign subsidiary of 1,102 million (2020: Baht 4,548 million).

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In this regards, the Group had significant borrowing agreements with financial institutions as follows:

CPF Investment Limited (“CPFI”)

CPFI, a 100.00% owned subsidiary of the Company had secured long-term borrowing agreements with various financial institutions, credit facilities totalling U.S. Dollar 2,468 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2027.

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

C.P. Pokphand Co., Ltd. (“CPP”)

CPP, a 52.25% owned subsidiary of the Group, entered into a long-term loan agreement with various financial institutions (“the agreement”) amounting to U.S. Dollar 595 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2025.

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

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Debentures

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

Debentures	interest rates (% per annum)	Term (Year)	Maturity Year	Consolidated financial statements	
				2021	2020
Charoen Pokphand Foods Public Company Limited (the “Company”)					
1/2011 ⁽¹⁾	4.87 - 5.42	10 - 30	2021 - 2041	4,000	7,000
2/2011 ⁽¹⁾	5.42	30	2041	6,000	6,000
2/2012	4.40 - 6.00	10 - 20	2022 - 2032	9,000	9,000
2/2013	4.90	8	2021	-	5,500
1/2015	3.21 - 3.98	5 - 8	2020 - 2023	5,500	5,500
2/2015	3.97 - 4.51	8 - 12	2023 - 2027	6,940	6,940
1/2016	2.28 - 3.73	4 - 15	2020 - 2031	6,000	6,000
1/2018	3.05 - 3.60	7 - 10	2025 - 2028	12,000	12,000
2/2018	2.74 - 4.66	2 - 12	2020 - 2024	18,300	18,300
1/2020	3.00 - 4.00	4 - 15	2024 - 2035	25,000	25,000
1/2021	1.75 - 3.80	2 - 12	2023 - 2033	30,000	-
Total				122,740	101,240
CPF (Thailand) Public Company Limited (“CPFTH”)					
1/2016	3.10 - 4.15	5 - 12	2021 - 2028	8,550	16,000
2/2016	2.51 - 3.95	7 - 15	2020 - 2031	8,000	8,000
1/2018	2.43 - 4.43	3 - 15	2021 - 2033	10,500	15,000
1/2019	2.91 - 4.18	4 - 12	2023 - 2031	17,000	17,000
1/2020	3.15 - 4.11	5 - 15	2025 - 2035	20,000	20,000
1/2021	2.50 - 3.70	6 - 15	2027 - 2033	15,000	-
Total				79,050	76,000
Grand Total				201,790	177,240
Less current portion				(11,600)	(20,450)
Net				190,190	156,790

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- ⁽¹⁾ The third series of the Company's debentures #1/2011 of Baht 4,000 million and debenture #2/2011 of Baht 6,000 million. The debenture holders have the redemption right at the end of year 15.

The debenture of the Company and CPFTH were registered with the Thai Bond Market Association. The debenture of the Company and CPFTH had a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 7 December 2021 and 26 April 2021, respectively.

In this regard, the Company and CPFTH must comply with the specific covenants of the above debentures such as to maintain debt to equity ratio throughout the terms of debentures, etc.

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Exchangeable Bond

As at 31 December, the certain subsidiaries had exchangeable bonds as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
C.P. Foods Holdings Limited (“CPFH”)	-	2,885	-	-
C.P. Foods Capital Limited (“CPFC”)	9,317	8,228	-	-
Total	9,317	11,113	-	-
<i>Less current portion</i>	<i>-</i>	<i>(2,885)</i>	<i>-</i>	<i>-</i>
Net	9,317	8,228	-	-

CP Foods Capital Limited (“CPFC”)

On 13 May 2020, the Board of Directors of the Company passed a resolution to approve CPFC, a 100.00% owned subsidiary of the Company, to issue and offer U.S. Dollar 275 million 0.5% Exchangeable Bonds due 2025 (“EBs”). The EBs holders can exchange the EBs into a pro rata share of the Exchange Property with a sponsor undertaking from the Company. The Exchange Property, at the EBs issue date, shall initially comprise 234,000,000 ordinary shares of the Company. Under the terms and conditions of the EBs, the EB holders have the options to (1) exchange the EBs into ordinary shares of the Company, or (2) put the EBs to CPFC on the date falling 2 years from the issue date of the EBs, or (3) hold the EBs until maturity, whereby in the case of (2) and (3) CPFC will repay the EB holders in cash. In accordance with the terms and conditions of the EBs, where the EB holders exercise the exchange right, and the aggregate number of ordinary shares of the Company to be delivered to such EB holders by CPFC exceeds the specified threshold, CPFC can redeem the EBs in respect of such number of ordinary shares of the Company which exceed the specified threshold using cash of equivalent value. The initial exchange ratio of the EBs is 170,435 (rounded up) of ordinary shares of the Company for each U.S. Dollar 200,000 principal amount of EBs (1 ordinary share of the Company equivalent to Baht 36.80 at the exchange rate U.S. Dollar 1: Baht 31.36). In addition, CPFC, as the EBs issuer, has option to redeem at 110.58% of their principal amount at the maturity date.

The issuance and offering of the EBs were completed and the EBs were listed on Singapore Stock Exchange on 18 June 2020.

As at 31 December 2021, the carrying amount of the EBs were U.S. Dollar 280 million or equivalent to Baht 9,317 million. The EBs are recognised as Convertible Bonds in the consolidated financial statements (2020: U.S. Dollar 274 million or equivalent to Baht 8,228 million).

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19 Treasury shares

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Ordinary shares of the Company				
At 1 January	6,088	-	6,088	-
Addition	157	6,088	157	6,088
At 31 December	6,245	6,088	6,245	6,088
Ordinary shares of the Company held by subsidiaries				
At 1 January	2,909	2,909	-	-
Addition	1,178	-	-	-
At 31 December	4,087	2,909	-	-
Grand total	10,332	8,997	6,245	6,088

On 30 September 2021, the Board of Directors of the Company passed the resolution to approve the share repurchase program for financial management purpose in accordance with Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of Baht 1 per share); equal to 4.65% of the total number of paid-up share capital of the Company. In this regard, the Company repurchased its ordinary shares through the main board of the Stock Exchange of Thailand during the specified period from 15 October 2021 to 14 April 2022. In this regard, the Company will resale its share repurchase through the main board of the Stock Exchange of Thailand, which the last date to resale such repurchase shares shall not be later than 14 April 2025.

As at 31 December 2021, the Company had repurchased 7 million treasury shares amounting Baht 157 million (2020: 198 million treasury shares amounting Baht 6,088 million).

20 Accounts payable - trade and others

	<i>Note</i>	<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Related parties	6	14,663	11,886	265	199
Other parties		29,709	20,426	883	934
Total		44,372	32,312	1,148	1,133

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21 Provisions for employee benefits

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

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

Employee benefit obligations as at 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Present value of funded - defined benefit obligations	537	549	-	-
Fair value of plan assets	(347)	(328)	-	-
	190	221	-	-
Present value of unfunded - defined benefit obligations	9,366	10,332	2,704	2,977
Total	9,556	10,553	2,704	2,977

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

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Defined benefit obligations at 1 January	10,881	9,927	2,977	2,726
Benefits paid by the plans	(790)	(669)	(124)	(171)
Current service costs and interest	904	863	233	226
Defined benefit plan actuarial (gains) losses	(1,166)	752	(382)	196
Others	74	8	-	-
Defined benefit obligations at 31 December	9,903	10,881	2,704	2,977
Fair value of plan assets at 1 January	328	331	-	-
Expected return on plan assets	1	2	-	-
Defined benefit plan actuarial gains	7	11	-	-
Contributions paid	33	24	-	-
Benefits paid by the plans	(59)	(64)	-	-
Currency translation differences	37	24	-	-
Fair value of plan assets at 31 December	347	328	-	-

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

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2021	2020	2021	2020
Current service costs	591	575	149	149
Interest costs	313	288	84	77
Expected return on plan assets	(1)	(2)	-	-
Total	903	861	233	226

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

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2021	2020	2021	2020
Included in retained earnings:				
At 1 January	(1,402)	(832)	(260)	(103)
Recognised during the year	997	(570)	306	(157)
At 31 December	(405)	(1,402)	46	(260)

Principal actuarial assumptions at 31 December were as follows:

	Consolidated		<i>(Unit: %)</i>	
	financial statements		Separate	
	2021	2020	2021	2020
Discount rate	0.65 - 13.00	0.30 - 13.00	1.90	1.28
Future salary increases	2.00 - 10.00	2.00 - 8.50	3.00 - 6.00	3.00 - 6.50

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

As at 31 December 2021, the weighted-average duration of the defined benefit obligation was 11 years (2020: 9 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Defined benefit obligation as at 31 December 2021				
Discount rate (1% movement)	(815)	937	(225)	258
Future salary change (1% movement)	895	(796)	245	(219)
Defined benefit obligation as at 31 December 2020				
Discount rate (1% movement)	(820)	956	(238)	277
Future salary change (1% movement)	909	(801)	264	(232)

22 Surpluses and legal reserve

Premium on ordinary shares

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

Equity in subsidiaries and associates

Equity in subsidiaries and associates consist of:

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

Surplus on common control transactions

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

Other components of equity

1) Revaluation differences on assets

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

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2) *Hedging reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

3) *Fair value changes*

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

4) *Currency translation differences*

The currency translation differences recognised in equity relate to:

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

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

Appropriate of profit and/or retained earnings

Legal reserve

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

As at 31 December 2021, the legal reserve was Baht 929 million (2020: Baht 929 million).

23 Subordinated perpetual debentures

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

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

During the year 2021, the Company paid interest to the Debentures holders amount of Baht 750 million (2020: Baht 752 million). The interest expense and other expenses of Baht 751 million (2020: Baht 752 million) was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2021.

As at 31 December 2021, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 249 million (2020: Baht 249 million).

As at 31 December 2021, the Company classified subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation*, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions issued the Announcement of Federation of Accounting Professions dated 3 December 2020 regarding *additional transition for classification of perpetual bonds* as an additional guideline during the transition period. The Company applies this announcement and classified the subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. If, as at 31 December 2021, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities of the Group and the Company will increase by Baht 15,000 million and total shareholders' equity will decrease by Baht 15,000 million.

24 Segment information and disaggregation of revenue

Segment information is based on the Group's management and internal financial reporting structure which is regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments.

Information about reportable segments

The Group comprises the following main segments:

- Segment 1 : Livestock business
- Segment 2 : Aquaculture business

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

(Unit: Million Baht)

	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2021	2020	2021	2020	2021	2020
Statements of income						
Revenue from sale of goods	435,311	516,494	77,393	73,219	512,704	589,713
Operating profit	<u>17,536</u>	<u>49,068</u>	<u>1,443</u>	<u>5,092</u>	18,979	54,160
Central income, net					4,224	7,503
Finance costs					(16,596)	(16,818)
Net foreign exchange gains					651	994
Share of profit of associates and joint ventures					4,167	9,254
Income tax (expense) income					2,654	(11,001)
Profit for the year					<u>14,079</u>	<u>44,092</u>
Assets						
Property, plant and equipment, right-of-use assets and intangible assets (excluded goodwill), net	<u>234,519</u>	<u>207,277</u>	<u>42,649</u>	<u>36,836</u>	277,168	244,113
Central assets, net					1,652	1,541
Other assets					563,861	516,065
Total					<u>842,681</u>	<u>761,719</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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Detail of the geographic segment financial information of the geographical area of the Group as at 31 December and for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Revenue from external customers		Non-current assets (excluded deferred tax assets and other non-current financial assets)	
	2021	2020	2021	2020
Thailand	160,050	151,429	259,906	250,810
Asia	261,894	359,893	264,798	236,332
Europe	60,515	51,643	44,895	29,833
America	28,894	25,631	51,423	47,127
Others	1,351	1,117	-	-
Total	512,704	589,713	621,022	564,102

Information about major customer

During the year 2021 and 2020, there were no single external customer that contributed 10% or more of the Group's total revenue.

Disaggregation of revenue

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

(Unit: Million Baht)

	Consolidated financial statements					
	Reportable segments					
	Livestock business		Aquaculture business		Total	
	2021	2020	2021	2020	2021	2020
Categories of main products						
Animal feed	85,499	176,078	41,573	42,113	127,072	218,191
Animal farm products	249,255	250,735	28,191	23,956	277,446	274,691
Processed foods and ready meals	100,557	89,681	7,629	7,150	108,186	96,831
Total	435,311	516,494	77,393	73,219	512,704	589,713

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Details of revenue disaggregated by categories of main products for the years ended 31 December were as follows: (Continued)

	<i>(Unit: Million Baht)</i>	
	Separate financial statements	
	Reportable segment Aquaculture business	
	2021	2020
Categories of main products		
Animal feed	13,756	12,530
Animal farm products	10,848	10,450
Processed foods and ready meals	2,450	2,541
Total	27,054	25,521

Contract Balances

As at 31 December 2021, the Group and the Company had contract liabilities of Baht 1,521 million and Baht 55 million, respectively (*2020: Baht 896 million and Baht 38 million, respectively*), which represents the obligation to transfer goods to customers for which the consideration has been received.

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The Group recognises such contract liabilities as revenue when transferring control of the goods to the customers. The outstanding balance of contract liabilities is included in the accounts “other current liabilities” in the consolidated statement of financial position as at 31 December 2021.

Promotional privileges

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

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

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

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

(Unit: Million Baht)

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2021	2020	2021	2020	2021	2020
Local sales	3,250	6,043	20,807	16,081	24,057	22,124
Export sales	36	247	2,961	3,150	2,997	3,397
Total revenue from sale of goods	3,286	6,290	23,768	19,231	27,054	25,521

25 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- Management benefit expenses consisted of salaries and other benefit expenses of management, directors' remuneration, and sub-committees' remuneration totalling Baht 1,893 million and Baht 254 million in the consolidated and separate statements of income for the year ended 31 December 2021, respectively (2020: Baht 1,582 million and Baht 210 million, respectively).
- Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 56,416 million and Baht 5,818 million in the consolidated and separate statements of income for the year ended 31 December 2021, respectively (2020: Baht 60,072 million and Baht 5,887 million, respectively).

26 Expenses by nature

Expenses consisted of:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost of sales of goods	446,815	482,469	25,137	22,809
Distribution costs	20,236	23,900	944	955
Administrative expenses	30,644	33,765	2,522	2,347
Total	497,695	540,134	28,603	26,111

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Details of expenses by nature for the period ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Changes in finished goods, work in progress and biological assets	(9,634)	114	514	(171)
Raw materials and consumables used	338,619	370,745	15,120	13,275
Employee benefit expenses	58,309	61,654	6,072	6,097
Factory and office expenses	47,532	45,526	4,050	4,100
Depreciation and amortisation	22,439	22,312	1,572	1,639
Transportation expenses	15,559	12,926	626	490
Advertising, public relationship and sale promotion expenses	4,177	3,665	130	107
Vehicle and traveling expenses	1,970	3,577	115	138
Taxes, government and bank fees	1,927	2,254	47	40
Lease-related expenses	1,814	1,722	56	92
Others	14,983	15,639	301	304
Total cost of sales of goods, distribution costs and administrative expenses	497,695	540,134	28,603	26,111

27 Income tax

Income tax recognised in profit or loss

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current tax				
Current year	6,704	10,462	2	92
Under (over) provided in prior years	(275)	668	-	-
	6,429	11,130	2	92
Deferred tax				
Movements in temporary differences	(545)	(995)	(14)	(1)
Movements in tax losses	(3,230)	866	(1,473)	262
	(3,775)	(129)	(1,487)	261
Income tax expense (income)	2,654	11,001	(1,485)	353

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Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2021			2020		
	Before tax	Tax expense	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	222	(39)	183	14,866	(2,574)	12,292
Fair value changes on investments	206	(84)	122	(861)	60	(801)
Currency translation differences	15,576	(1)	15,575	541	67	608
Defined benefit plan actuarial gains (losses)	1,174	(239)	935	(740)	150	(590)
Cash flow hedges reserve	1,308	(55)	1,253	(751)	52	(699)
Share of income tax of investments in associates and joint ventures	7,194	-	7,194	1,402	-	1,402
Total	25,680	(418)	25,262	14,457	(2,245)	12,212

(Unit: Million Baht)

	Separate financial statements					
	2021			2020		
	Before tax	Tax expense	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	-	-	-	2,837	(567)	2,270
Fair value changes on investments	98	(19)	79	-	-	-
Defined benefit plan actuarial gains (losses)	383	(77)	306	(197)	39	(158)
Cash flow hedges reserve	48	(10)	38	(42)	8	(34)
Total	529	(106)	423	2,598	(520)	2,078

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Reconciliation of effective tax rate

(Unit: Million Baht)

	Consolidated financial statements				
	0%	10%	20%	Others	Total
Applicable tax rates					
2021					
Accounting profit (loss) before income tax, total	205	99	14,540	1,888	16,732
Tax at the applicable tax rates	-	10	2,908	528	3,446
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	219	(2,481)	1,745	(517)
Under provided in prior years	-	-	(5)	(270)	(275)
Total	-	229	422	2,003	2,654
2020					
Accounting profit (loss) before income tax, total	(2,220)	1,141	24,501	31,671	55,093
Tax at the applicable tax rates	-	114	4,900	3,477	8,491
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	487	839	516	1,842
Under provided in prior years	-	-	11	657	668
Total	-	601	5,750	4,650	11,001

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Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Separate financial statements			
	0%	20%	Others	Total
2021				
Accounting profit before income tax, total	141	428	11	580
Tax at the applicable tax rates	-	86	1	87
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(1,572)	-	(1,572)
Total	-	(1,486)	1	(1,485)
2020				
Accounting profit before income tax, total	350	8,727	-	9,077
Tax at the applicable tax rates	-	1,745	-	1,745
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(1,392)	-	(1,392)
Total	-	353	-	353

Deferred income tax

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	4,964	2,948	1,472	91
Deferred tax liabilities	(8,554)	(8,962)	-	-
Net deferred tax assets (liabilities)	(3,590)	(6,014)	1,472	91

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

(Unit: Million Baht)

	Consolidated financial statements					
	At 1 January 2021	Charged/Credited to		Acquired in business combination	Currency translation differences	At 31 December 2021
		Profit or loss	Other comprehensive income			
<i>Deferred tax assets (liabilities)</i>						
Biological assets	(1,563)	395	-	(31)	(137)	(1,336)
Investments	(321)	-	(84)	-	-	(405)
Derivatives	204	(1)	(55)	-	4	152
Tax losses	3,550	3,230	-	137	125	7,042
Other intangible assets	(2,887)	295	-	-	(224)	(2,816)
Property, plant and equipment	(7,958)	78	(39)	(468)	(259)	(8,646)
Right-of-use assets	(2,844)	(273)	-	(5)	(65)	(3,187)
Lease liabilities	3,422	304	-	7	119	3,852
Provisions for employee benefits	1,606	55	(239)	18	(2)	1,438
Others	777	(308)	-	(170)	17	316
Total	(6,014)	3,775	(417)	(512)	(422)	(3,590)

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Movements of deferred tax assets and liabilities during the year 2020 were as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	At 1 January 2020	Charged/Credited to		Acquired in business combination	Disposals from loss control of subsidiary	Currency translation differences	At 31 December 2020
	Profit or loss	Other comprehensive income					
<i>Deferred tax assets (liabilities)</i>							
Biological assets	(1,599)	41	-	-	-	(5)	(1,563)
Investments	(470)	48	60	-	47	(6)	(321)
Derivatives	153	10	52	-	-	(11)	204
Tax losses	4,475	(866)	-	153	(124)	(88)	3,550
Other intangible assets	(2,864)	330	-	-	-	(353)	(2,887)
Property, plant and equipment	(6,137)	(181)	(2,574)	(240)	874	300	(7,958)
Right-of-use assets	(1,900)	(1,064)	-	(70)	210	(20)	(2,844)
Lease liabilities	2,346	1,217	-	74	(206)	(9)	3,422
Provisions for employee benefits	1,379	82	150	-	-	(5)	1,606
Others	229	512	-	6	85	(55)	777
Total	(4,388)	129	(2,312)	(77)	886	(252)	(6,014)

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

(Unit: Million Baht)

	Separate financial statements			At 31 December 2021
	At 1 January 2021	Charged/Credited to		
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Investments	(74)	-	(19)	(93)
Derivatives	23	-	(10)	13
Land	(1,272)	1	-	(1,271)
Right-of-use assets	(85)	10	-	(75)
Lease liabilities	81	(7)	-	74
Provisions for employee benefits	552	19	(77)	494
Tax losses	878	1,473	-	2,351
Others	(12)	(9)	-	(21)
Total	91	1,487	(106)	1,472

As at 31 December 2021, the Group had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the consolidated statements of financial position amounting Baht 19,911 million (2020: the Group and the Company had temporary differences arising from unutilised tax losses amounting Baht 11,336 million and Baht 1,594 million, respectively) because it is not probable that tax benefit will be utilised in the foreseeable future.

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Movements of deferred tax assets and liabilities during the year 2020 were as follows:

(Unit: Million Baht)

	Separate financial statements			At 31 December 2020
	At 1 January 2020	Charged/Credited to		
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Investments	(74)	-	-	(74)
Derivatives	15	-	8	23
Land	(705)	-	(567)	(1,272)
Right-of-use assets	(85)	-	-	(85)
Lease liabilities	80	1	-	81
Provisions for employee benefits	501	12	39	552
Tax losses	1,140	(262)	-	878
Others	-	(12)	-	(12)
Total	872	(261)	(520)	91

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28 Earnings per share

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

	<i>(Unit: Million Baht/Million shares)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Profit for the year attributable to ordinary shareholders of the Company	13,028	26,022	2,066	8,724
<i>Less: cumulative interest expense for the year net of income tax on subordinated perpetual debentures</i>	<i>(600)</i>	<i>(602)</i>	<i>(600)</i>	<i>(602)</i>
Profit used in calculation of earnings per share (basic)	12,428	25,420	1,466	8,122
Interest expense on convertible bonds, net of tax	251	130	-	-
Profit used in calculation of earnings per share (diluted)	12,679	25,550	1,466	8,122
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at the beginning of period	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(443)	(426)	-	-
Effect of own shares held	(198)	(80)	(198)	(80)
Number of ordinary shares outstanding (basic) at the end of period	7,970	8,105	8,413	8,531
Effect of conversion of convertible bonds	234	125	234	125
Number of ordinary shares outstanding (diluted) at the end of period	8,204	8,230	8,647	8,656
Basic earnings per share (in Baht)	1.56	3.14	0.17	0.95
Diluted earnings per share (in Baht)	1.55	3.10	0.17	0.94

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29 Dividends

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

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
2021				
30 April 2021	0.60	8,413,568,585	5,048	Profit after deduction of taxable losses
13 August 2021	0.40	8,413,568,585	3,366	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			8,414	
2020				
1 April 2020	0.40	8,611,242,385	3,444	Profit after deduction of taxable losses
13 August 2020	0.40	8,497,952,585	3,400	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			6,844	

30 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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		Consolidated financial statements							
		Carrying amount			Fair value				
<i>At 31 December 2021</i>	<i>Note</i>	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity securities									
-Marketable equity securities		-	3,517	-	3,517	3,517	-	-	3,517
-Non-marketable equity securities		-	9,517	-	9,517	-	-	9,517	9,517
Other financial assets									
-Derivative assets		1,146	-	-	1,146	-	1,146	-	1,146
Total financial assets		1,146	13,034	-	14,180				
Financial liabilities									
Long-term borrowings									
-Debentures	18	-	-	201,790	201,790	-	210,237	-	210,237
-Convertible bonds	18	-	-	9,317	9,317	-	9,485	-	9,485
-Long-term borrowings from financial institutions	18	-	-	129,198	129,198	-	129,095	-	129,095
Other financial liabilities									
-Derivative liabilities		399	-	-	399	-	399	-	399
Total financial liabilities		399	-	340,305	340,704				

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		Consolidated financial statements							
		Carrying amount			Fair value				
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2020									
Financial assets									
Investment in equity securities									
- Marketable equity securities		-	2,552	-	2,552	2,552	-	-	2,552
- Non-marketable equity securities		-	8,869	-	8,869	-	-	8,869	8,869
Other financial assets									
- Derivative assets		155	-	-	155	-	155	-	155
Total financial assets		155	11,421	-	11,576				
Financial liabilities									
Long-term borrowings									
- Debentures	18	-	-	177,240	177,240	-	185,646	-	185,646
- Exchangeable bonds	18	-	-	2,885	2,885	-	2,827	-	2,827
- Convertible bonds	18	-	-	8,228	8,228	-	8,252	-	8,252
- Long-term borrowings from financial institutions	18	-	-	92,870	92,870	-	92,966	-	92,966
Other financial liabilities									
- Derivative liabilities		2,190	-	-	2,190	-	2,190	-	2,190
Total financial liabilities		2,190	-	281,223	283,413				

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		Separate financial statements							
		Carrying amount			Fair value				
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2021									
Financial assets									
Investment in equity securities									
-Non-marketable equity securities									
		-	761	-	761	-	-	761	761
Other non-current financial assets									
-Derivative assets									
		144	-	-	144	-	144	-	144
Total financial assets		144	761	-	905				
Financial liabilities									
Long-term borrowings									
-Debentures									
	18	-	-	122,740	122,740	-	128,553	-	128,553
-Long-term borrowings from financial institutions									
	18	-	-	3,151	3,151	-	3,200	-	3,200
Other financial liabilities									
-Derivative liabilities									
		64	-	-	64	-	64	-	64
Total financial liabilities		64	-	125,891	125,955				

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		Separate financial statements							
		Carrying amount			Fair value				
<i>At 31 December 2020</i>	<i>Note</i>	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	663	-	663	-	-	663	663
Other non-current financial assets									
-Derivative assets		11	-	-	11	-	11	-	11
Total financial assets		11	663	-	674				
Financial liabilities									
Long-term borrowings									
-Debentures	18	-	-	101,240	101,240	-	107,305	-	107,305
-Long-term borrowings from financial institutions	18	-	-	2,858	2,858	-	3,041	-	3,041
Other financial liabilities									
-Derivative liabilities		309	-	-	309	-	309	-	309
Total financial liabilities		309	-	104,098	104,407				

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Financial instruments measured at Level 2 fair values

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing</i> : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Swap agreements	<i>Swap models</i> : The present value of estimated future cash flows, using an observable yield curve.
Derivatives	Derived by a model using a valuation technique that incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.
Debentures	Determined based on quoted prices in the debenture markets traded in Thai and overseas markets by using the closing price at the end of the reporting period.
Exchangeable bonds (“EBs”)/ Convertible bonds (“CBs”)	Determined based on quoted prices in the EBs/CBs market traded in overseas by using the closing price at the end of the reporting period.

Financial instruments measured at Level 3 fair values

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-marketable equity securities	- <i>Market comparison technique</i> : The valuation model is based on multiples derived from market information comparable to the investee. The estimate is adjusted for the effect of the non-marketability of the equity securities.	Adjusted multiple (0.9 - 1.9 for 2021 and 1.0 - 1.6 for 2020).	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).
	- <i>Discounted cash flows</i>	Discount rate (11% for 2021)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

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Reconciliation of Level 3 fair values

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Investment in non-marketable equity securities</i>				
At 1 January	8,869	8,804	663	663
Acquisition/additional investments	494	-	-	-
Fair value adjustment	(603)	-	98	-
Currency translation differences	757	65	-	-
At 31 December	9,517	8,869	761	663

(b) Movement of marketable equity securities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Marketable equity securities</i>				
<i>Current financial assets</i>				
Equity securities measured at FVOCI				
At 1 January	2,552	3,880	-	-
Fair value adjustment	809	(860)	-	-
Disposal of equity securities held under a loss of control entity	-	(512)	-	-
Currency translation differences	156	44	-	-
At 31 December	3,517	2,552	-	-

(c) Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

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(c.1.1) Accounts receivables - trade and others

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit facilities and also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 24.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Expected credit losses

(Unit: Million Baht)

	Consolidated financial statements			
	Accounts receivable - trade and others		Allowance for expected credit losses	
	2021	2020	2021	2020
Within credit terms	28,732	24,172	165	318
Overdue 1 - 60 days	6,143	4,282	22	12
Overdue 60 - 120 days	1,485	666	240	17
More than 120 days	3,213	1,842	675	663
Total	39,573	30,962	1,102	1,010
<i>Less</i> allowance for expected credit losses	<i>(1,102)</i>	<i>(1,010)</i>		
Net	38,471	29,952		

(Unit: Million Baht)

	Separate financial statements			
	Accounts receivable - trade and others		Allowance for expected credit losses	
	2021	2020	2021	2020
Within credit terms	1,774	1,553	-	-
Overdue 1 - 60 days	403	386	-	-
Overdue 60 - 120 days	432	124	-	-
More than 120 days	835	598	19	77
Total	3,444	2,661	19	77
<i>Less</i> allowance for expected credit losses	<i>(19)</i>	<i>(77)</i>		
Net	3,425	2,584		

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(c.1.2) Guarantees

As at 31 December 2021, the Group had commitments under the letters of guarantee for financial guarantees for government agencies, financial institutions and others (see note 32.4).

(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The outstanding balance of loans as at 31 December with the periods in which the loans mature were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2021				
Long-term loans to related parties	12	37	-	49
Total	12	37	-	49
2020				
Long-term loans to related parties	-	49	-	49
Total	-	49	-	49
	<i>(Unit: Million Baht)</i>			
	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2021				
Short-term loans to related parties	6,876	-	-	6,876
Long-term loans to related parties	-	570	-	570
Total	6,876	570	-	7,446
2020				
Short-term loans to related parties	20,024	-	-	20,024
Long-term loans to related parties	-	570	-	570
Total	20,024	570	-	20,594

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The outstanding balance of interest-bearing liabilities as at 31 December with the periods in which those liabilities mature were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2021				
Bank overdrafts and short-term borrowings from financial institutions	70,992	-	-	70,992
Bills of exchange	17,964	-	-	17,964
Short-term borrowings from related parties	1,456	-	-	1,456
Long-term borrowings from financial institutions	27,465	94,942	6,791	129,198
Debentures	11,600	91,259	108,248	211,107
Lease liabilities	4,439	12,652	16,809	33,900
Total	133,916	198,853	131,848	464,617
Other financial liabilities	169	230	-	399
	169	230	-	399
2020				
Bank overdrafts and short-term borrowings from financial institutions	63,846	-	-	63,846
Bills of exchange	38,754	-	-	38,754
Short-term borrowings from related parties	423	-	-	423
Long-term borrowings from financial institutions	13,692	76,448	2,730	92,870
Debentures	23,335	81,456	83,562	188,353
Lease liabilities	4,173	11,871	15,821	31,865
Total	144,223	169,775	102,113	416,111
Other financial liabilities	670	1,520	-	2,190
	670	1,520	-	2,190

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(Unit: Million Baht)

	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2021				
Bills of exchange	8,488	-	-	8,488
Long-term borrowings from financial institutions	683	2,467	-	3,150
Debentures	11,600	48,297	62,843	122,740
Lease liabilities	146	225	-	371
Total	20,917	50,989	62,843	134,749
Other financial liabilities	64	-	-	64
	64	-	-	64
2020				
Short-term borrowings from financial institutions	5,400	-	-	5,400
Bills of exchange	18,158	-	-	18,158
Short-term borrowings from related parties	13,251	-	-	13,251
Long-term borrowings from financial institutions	-	2,858	-	2,858
Debentures	8,500	44,333	48,407	101,240
Lease liabilities	217	186	-	403
Total	45,526	47,377	48,407	141,310
Other financial liabilities	60	249	-	309
	60	249	-	309

Effective interest rate of interest-bearing liabilities excluded borrowings from related parties and debentures were as follows:

	(Unit: %)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Bank overdrafts, bills of exchange and borrowings from financial institutions	3.31	2.89	1.62	1.89
Lease liabilities	6.57	6.39	3.03	3.03

(c.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

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(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily enters into forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies including anticipated future purchases and sales of goods denominated in foreign currencies. The forward exchange contracts have maturities of less than 1 year.

At 31 December the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
Foreign currency		2021	2020	2021	2020
Accounts receivable - trade and others					
Foreign currencies	Won	-	137	2	-
	Renminbi	1,340	579	1,340	579
	U.S. Dollar	1,384	839	144	228
	Euro	368	345	-	-
	Pound Sterling	-	-	3	46
Forward exchange contracts	Won	-	137	2	-
	Renminbi	1,340	579	1,340	579
	U.S. Dollar	472	678	144	228
	Euro	3	-	-	-
	Pound Sterling	-	-	3	46
Interest-bearing liabilities					
Foreign currencies	U.S. Dollar	29,501	34,515	3,185	3,464
	Euro	164	309	-	-
Forwards exchange contracts and cross currency swap agreements	U.S. Dollar	21,876	6,109	3,185	3,464
	Euro	72	165	-	-
Accounts payable - trade and others					
Foreign currencies	U.S. Dollar	2,937	1,730	6	1
	Euro	602	997	9	-
	Renminbi	-	7	-	-
Forward exchange contracts	U.S. Dollar	271	444	1	1
	Euro	91	15	-	-
	Renminbi	-	7	-	-
Forecast sales					
Forward exchange contracts	Won	70	211	-	-
	U.S. Dollar	8,005	4,341	762	237
	Pound Sterling	392	121	-	32
	Euro	902	386	-	-
	Renminbi	134	206	135	206

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		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
Foreign currency		2021	2020	2021	2020
Forecast purchases					
Forward exchange contracts	U.S. Dollar	6,017	5,011	100	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the U.S. dollar at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements			
		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
Movement (%)					
At 31 December 2021					
U.S. Dollar	1	70	(70)	(98)	98
At 31 December 2020					
U.S. Dollar	1	294	(294)	(39)	39

		<i>(Unit: Million Baht)</i>			
		Separate financial statements			
		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
Movement (%)					
At 31 December 2021					
U.S. Dollar	1	-	-	(24)	24
At 31 December 2020					
U.S. Dollar	1	(23)	23	(1)	1

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(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages the interest rate risk of financial assets and financial liabilities by considering loan to or borrowing from including fixed and floating rate depend on the market situation. However, the interest rates of interest-bearing liabilities of the Group are mainly fixed rate. The Group had the interest rate swap agreements to manage exposure to fluctuations in interest rates on the said liabilities upon the appropriation.

Cross currency swap agreements

As at 31 December 2021, the Group and the Company had cross currency swap agreements with the financial institutions to manage exposure of fluctuations in foreign exchange rates and interest rates as follows:

1) The Company had cross currency swap agreements with certain financial institutions for long-term borrowing totalling U.S. Dollar 95 million (2020: U.S. Dollar 95 million). The Company has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rates refer to LIBOR plus specified rate.

2) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 60 million (2020: U.S. Dollar 80 million). The subsidiary has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

3) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 67 million (2020: U.S. Dollar 17 million). The subsidiary has commitments to make payments for the fixed interest rate in Vietnamese Dong and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

Interest rate swap agreements

As at 31 December 2021, the Group had interest rate swap agreements with the financial institutions to manage exposure of fluctuations in interest rates as follows:

A subsidiary had several interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 1,372 million (2020: U.S. Dollar 1,213 million). The subsidiary has commitments to make payments for the fixed interest rate in U.S. Dollar and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

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(c.4) Cash flow hedges

The Group adopts hedge accounting for some derivatives which meet the condition of cash flow hedges instruments and determines the hedge ratio by considering the relationship of the relevant transactions and risk factors between hedged items and hedging instruments.

The Group determined hedge effectiveness at the inception of the hedge relationship, and through periodic effectiveness assessments, to ensure that an economic relationship exists between the hedged items and hedging instruments. Ineffectiveness may arise from the effect of the counterparties' and the Group's own credit risk on the fair value of the foreign exchange contracts and/or the interest swaps, which are not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates and/or interest rate, throughout the differences in the timing of the hedged transactions and/or the differences in repricing dates between the swaps and the borrowings.

As at 31 December, the Group and the Company had the cash flow hedge reserve presented in other comprehensive income comprising financial instruments as follows:

Details	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	Total carrying amounts	Cash flow hedge reserve	Total carrying amounts	Cash flow hedge reserve
2021				
Financial assets	13,356	(16)	1,533	(3)
Financial liabilities	32,693	(211)	3,205	(51)
Total		(227)		(54)
2020				
Financial assets	4,623	34	934	4
Financial liabilities	44,457	(1,470)	3,464	(96)
Total		(1,436)		(92)

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31 Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

32 Commitments with non-related parties

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

32.1 Capital commitments

	Consolidated		(Unit: Million Baht) Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,541	3,112	-	-
Machinery, equipment and others	5,293	2,485	170	275
Total	8,834	5,597	170	275

32.2 Other commitments

The Company had a Cooperative Technical agreement with Maejo University (the "university") whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as at 31 December 2022. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company's assets in respect to the agreement as at 31 December 2021 totalled Baht 15 million (2020: Baht 18 million).

32.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 2,658 million (2020: Baht 2,051 million).

32.4 Letters of guarantee

- The Company and certain subsidiaries had commitments with financial institutions for letters of guarantee issued by the financial institutions in favour of government agencies and others totalling Baht 11 million and Baht 1,518 million, respectively (2020: Baht 16 million and Baht 2,490 million, respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sale of goods.
- 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 253 million (2020: Baht 305 million).

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32.5 Sponsor Undertaking

The Company has provided sponsor undertaking for the Exchangeable bond which was issued by a subsidiary, as disclosed in note 18.

33 Events after the reporting period

33.1 On 15 December 2021, the Special General Meeting of C.P. Pokphand Co., Ltd. (“CPP”), a 52.25% directly and indirectly owned subsidiary, approved the privatisation and withdrawal of listing of its ordinary shares from the Stock Exchange of Hong Kong Limited (“HKEX”). In this regard, the ordinary shares of CPP were withdrawn from HKEX on 18 January 2022.

On 25 January 2022, CPF Investment Limited (“CPFI”), a wholly-owned subsidiary of the Company, paid for the cancelled ordinary shares of CPP for 6,079,356,827 shares which equal to 25.26% totalling HK Dollar 6,991 million or equivalent to Baht 29,808 million sourcing from the internal cash resources and borrowing from financial institution. As a result, the Group’s ownership interest in CPP increasing from 52.25% to 76.24%.

33.2 On 9 December 2021, the Company filed an offering circulars to the Securities and Exchange Commission to offer a Subordinated Perpetual Debentures which is similar to equity with one-time payment upon dissolution of the Company or upon the exercise of the Company’s early redemption right (“Debentures”). Under the terms of the Debentures, the Company has the right to unconditionally defer interest and cumulative interest payments to Debentures holders without limitation on deferral period and times at the sole discretion of the Company. The Company offered the Debentures to institutional investors and/or general investors at offer price of Baht 1,000 per unit for not exceeding 15,000,000 units amounting to Baht exceeding 15,000 million and offered additional reserved Debentures not exceeding 3,000,000 units at the amount not exceeding Baht 3,000 million. The total offering Debentures are not exceeding 18,000,000 units amounting to Baht 18,000 million. The Debentures’ interest rates during year 1 - 5 are 4.50%, per year after the fifth year, the interest rates are adjusted every 5 years based on (1) 5-year government bond yield, (2) Initial Credit Spread and (3) percentage as stipulated in the prospectus.

The above Debentures have a credit rating of “A-” with stable trend rated by TRIS Rating Co., Ltd. on 7 December 2021. In this regard, the Company will offer the Debentures during February and March 2022.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2022 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Group has preliminary assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application.

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35 Supplementary disclosure

During the fourth quarter of 2020, CTI changed its status from a subsidiary of the Group to an associate, as disclosed in the annual financial statement 2020.

In this regard, the transaction has significant impact to the changes of the consolidated statements of income. Additional disclosure of the comparative financial information, excluding CTI, for the year ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	For the year ended 31 December	
	2021	2020 (Unaudited)
Revenue from sales of goods	512,704	465,597
Other income	16,534	16,821
Total income	529,238	482,418
Cost of sale of goods	446,815	376,870
Distribution and administration expenses	50,880	45,472
Finance cost	16,596	16,093
Losses on changes in fair value of biological assets	2,381	270
Other expense	-	4,355
Total expense	516,672	443,060
Profit before share of profit of associates and joint ventures and income tax expense	12,566	39,358