

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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**Charoen Pokphand Foods Public Company Limited
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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 24 February 2021.

1 General information

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

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

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

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

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

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

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<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 Habour Co., Ltd.	Restaurant	Thailand	99.99	50.99
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	41.35
4) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China	100.00	100.00

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			2020	2019
Direct and indirect subsidiaries				
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
1.4.1) Berice LLC	Investment in restaurant	United States of America	99.99	99.99
1.4.1.1) Yipeng, LLC	Restaurant	United States of America	99.99	-
1.5) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	99.99	100.00
1.6) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	51.99	52.00
1.7) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
1.7.1) Paulsen Food GmbH	Distributor of meat products and investment	Germany	99.98	99.99
1.7.2) CP Foods (UK) Limited and subsidiaries	Importer and distributor of processed meat and ready meals	United Kingdom	99.98	99.99
1.7.3) The Foodfellas Limited	Importer of ingredients and food products	United Kingdom	99.98	34.51
1.7.4) Westbridge Food Group Limited	Investment	United Kingdom	99.99	100.00
1.7.4.1) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.99	100.00
1.7.4.2) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.99	99.99
1.7.4.3) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.99	100.00
1.7.4.4) Wignall Holdings Limited ⁽²⁾	Investment	United Kingdom	99.99	100.00
1.7.4.5) Westbridge Foods (Haydock) Limited	Distribution of meat products	United Kingdom	99.99	100.00
1.7.4.6) Westbridge Holding B.V.	Investment	Netherlands	99.99	100.00
1.7.4.7) Westbridge Foods (France) SARL	Distribution of meat products	France	99.99	100.00
1.7.4.8) Food Trac Limited	Distribution of meat products	United Kingdom	99.99	100.00
1.7.4.9) Westbridge Group License Companies	Importer of poultry meat products	United Kingdom	99.99	100.00
1.8) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and ready meals	Hong Kong Special Administrative Region	99.99	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
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 ⁽²⁾	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.2) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.3) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.4) FSI Parent Corp.	Investment	United States of America	100.00	100.00
1.1.4.1) Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.6) The All American Gourmet Company ⁽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	-
6) CP Foods Singapore Pte Ltd.	Importer and distributor of processed meat and ready meals	Singapore	100.00	-
7) Charoen Pokphand Foods Kenya Co., Ltd. ⁽²⁾	Animal feedmill and livestock farming	Kenya	99.99	99.99
8) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
8.1) Giant Crown Investments Limited	Investment	British Virgin Islands	100.00	100.00
9) CPF Netherlands B.V.	Investment	Netherlands	99.99	99.99
9.1) CP Chozen Limited	Investment	United Kingdom	79.99	79.99
9.1.1) Chozen Holdings Limited	Restaurant	United Kingdom	79.99	79.99
9.1.2) Chozen Noodle Trading Limited	Property lease-out	United Kingdom	79.99	79.99
9.2) CPF Canada Holdings Corp.	Investment in integrated swine business	Canada	99.99	99.99

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			2020	2019
9.3) Russia Baltic Pork Invest ASA	Investment	Norway	75.82	75.82
9.3.1) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	75.82
9.3.2) Finagro ASP	Financial service	Denmark	75.82	75.82
9.3.3) Kornevo Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.4) Management Company RBPI Group Limited Liability Company	Property lease-out	Russia	75.82	75.82
9.3.5) NNPP Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.6) NNPP-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.7) Pravdinsk Pig Production Closed Joint Stock Company	Livestock farming	Russia	75.82	75.82
9.3.8) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.9) RBPI Elite Seeds LLC	Production of elite seeds	Russia	75.82	-
9.3.10) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	75.82
9.3.11) Rechnoe Limited Liability Company	Biological waste management services provider	Russia	75.82	75.82
9.4) Stesha LLC	Investment	Russia	99.99	99.99
9.4.1) CP Foods Trading LLC	Importer and exporter of meat products	Russia	99.99	-
9.4.2) JSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	Russia	99.99	99.99
9.4.3) JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	Russia	99.99	99.99
9.5) Tops Foods NV	Production and distributor of ready meals	Belgium	84.07	84.07
10) CPF Poland S.A.	Agro-industrial products and food	Poland	66.67	66.67
10.1) PetRepublic Ltd.	Production and sale of pet food	Poland	60.00	66.67
11) 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	Livestock farming	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
2.1) A.P.P. Enterprise, Inc.	Property lease-out	Philippines	-	39.60
3) Chia Tai Enterprises International Limited	Investment	Bermuda	50.43	50.43

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			2020	2019
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. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	52.24	52.24
4.1) AHM Lifestyles - Creative Hospitality Joint Stock Company (Formerly known as AHM Lifestyles - Creative Hospitality Co., Ltd.)	Restaurant	Vietnam	50.96	46.32
4.2) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	52.24	52.24
4.3) C.P. Aquaculture (Beihai) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.4) C.P. Aquaculture (Dongfang) Co., Ltd. ⁽³⁾	Shrimp hatchery business	China	52.24	100.00
4.5) C.P. Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	China	52.24	-
4.6) C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.7) C.P. Aquaculture (Zhangjiang) Co., Ltd. ⁽³⁾	Shrimp hatchery business	China	52.24	100.00
4.8) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.9) C.P. Food (Hengshui) Co., Ltd.	Production and sale of processed food	China	52.24	52.24
4.10) C.P. Food (Kaifeng) Co., Ltd.	Production and sale of processed food	China	52.24	52.24
4.11) C.P. Food (Nantong) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.12) C.P. Food (Xiangyang) Co., Ltd.	Production and sale of processed food	China	-	52.24

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			2020	2019
4.13) C.P. Food (Xuzhou) Co., Ltd.	Production and sale of processed food and ready meals	China	-	52.24
4.14) C.P. Food (Zhanjiang) Co., Ltd.	Production and sale of processed food	China	52.24	52.24
4.15) C.P. Premix (Guanghan) Co., Ltd.	Production and sale of animal feed	China	-	47.54
4.16) C.P. Premix (Hangzhou) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.17) C.P. Premix (Liuzhou) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.18) C.P. Premix (Nantong) Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.19) C.P. Premix (Shenyang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.20) C.P. Premix (Tianjin) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.21) C.P. Standard Resources Limited	Investment	Hong Kong Special Administrative Region	52.24	52.24
4.22) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	66.18	66.18
4.23) C.T. Progressive (H.K.) Limited	Investment	Bermuda	52.24	52.24
4.24) Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.25) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	52.24	52.24
4.26) Chengdu Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.27) Chia Tai Akesu Feed Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.28) Chia Tai Aquaculture (Nantong) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.29) Chia Tai (Beijing) Investment Management Co., Ltd.	Rendering management and advisory service	China	52.24	52.24
4.30) Chia Tai Investment Co., Ltd.	Investment and trading	China	-	52.24
4.31) Chia Tai Feed (Chongyang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.32) Chia Tai Feed Dongying Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.33) Chia Tai Feed (Harbin) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.34) Chia Tai Feed (Helin) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.35) Chia Tai Feed (Hengshui) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.36) Chia Tai Feed (Hengyang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.37) Chia Tai Feed (Qianjiang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.38) Chia Tai Feed (Shuixi) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.39) Chia Tai Feed (Sui zhou) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.40) Chia Tai Feed (Suqian) Co., Ltd.	Production and sale of animal feed	China	-	-
4.41) Chia Tai Feed (Yiwu) Co., Ltd.	Production and sale of animal feed	China	-	28.73
4.42) Chia Tai Feed (Yushu) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.43) Chia Tai Feed (Zhanjiang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.44) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.45) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	52.24	52.24
4.46) Chia Tai (Hainan) Agro-Industry Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.47) Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.48) Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.49) Chongqing Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.50) Chongqing Shuangqiao Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.51) Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24

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			2020	2019
4.52) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong Special Administrative Region	52.24	52.24
4.53) CP China Investment Limited	Investment	Cayman Islands	52.24	52.24
4.54) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.55) CP Food Investment Limited	Investment	Hong Kong Special Administrative Region	52.24	52.24
4.56) CP Group (Inner Mongolia) Nutrition Technology Flocks and Herds Service Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.57) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	66.18	66.18
4.58) Dali Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.59) Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	China	52.24	-
4.60) Fujian Chia Tai Food Co., Ltd. ⁽¹⁾	Sale of processed poultry meat	China	36.57	36.57
4.61) Fujian Hetai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	36.57	36.57
4.62) Fujian Longzeji Feed Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.63) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.64) Ganzhou Chia Tai Industrial Co., Ltd.	Production and sale of animal feed	China	-	41.79
4.65) Guang An Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.36
4.66) Guangdong Chia Tai Biotechnology Co., Ltd.	Production and sale of probiotics	China	-	52.24
4.67) Guilin Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.68) Guiyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.69) Hainan Chia Tai Animal Husbandry Co., Ltd.	Property lease-out for use in production and sale of animal feed	China	-	52.24
4.70) Hannick Limited	Property investment	Hong Kong Special Administrative Region	52.24	52.24
4.71) Hefei Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.72) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.24	52.24
4.73) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.74) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	52.24	52.24
4.75) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.76) Inner Mongolia Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	47.22
4.77) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.24	52.24
4.78) Jiangsu Huai Yin Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	45.97
4.79) Jilin Chia Tai Enterprise Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.80) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.81) Ji Lin De Da Feed Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.82) Jinan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	33.96

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			2020	2019
4.83) Jiujiang Chia Tai Feedstuffs Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.84) Kaifeng Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.85) Kunming Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	48.26
4.86) Lanzhou Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	47.34
4.87) Lianyugang Chia Tai Agro- Industry Development Co., Ltd. ⁽¹⁾	Production and sale of animal feed	China	-	27.30
4.88) Longyan Baotai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	36.57	36.57
4.89) Longyan Chia Tai Co., Ltd. ⁽¹⁾	Production of processed poultry meat	China	36.57	36.57
4.90) Mianyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	41.79
4.91) Modern State Investments Limited	Investment	British Virgin Islands	52.24	52.24
4.92) Nanchang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.93) Nanning Chia Tai Animal Husbandry Company Limited	Production and sale of animal feed	China	-	47.88
4.94) Nantong Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.95) Nantong Chia Tai Feedmill Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.96) Nanyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	47.54
4.97) Neijiang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.98) Ningbo Chia Tai Agriculture Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.99) Pingdingshan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.100) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.101) Shaanxi Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	50.15
4.102) Shanxi Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.29
4.103) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.104) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.105) Shuangliu Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.106) Tai Zhou Chia Tai Feed Co., Ltd.	Production and sale of animal feed	China	-	50.15
4.107) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.108) Urumqi Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	China	-	48.81
4.109) Weinan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.110) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.111) Wuhan Chia Tai Aquaculture Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.112) Wuxuan Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.113) Xiamen Chia Tai Agriculture Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.114) Xiamen Sumpo Food Trading Co., Ltd.	Sale of processed poultry meat	China	-	36.57
4.115) Xiangyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.116) Xuzhou Chia Tai Feed Co., Ltd.	Production and sale of animal feed	China	-	33.96
4.117) Yichang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.118) Yinchuan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.119) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.120) Zhangjiakou Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.121) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd. ⁽³⁾	Shrimp farming	China	52.24	100.00
4.122) Zhoukou Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	52.24

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
4.123) Zhumadian Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.87
5) CPF Tanzania Limited ⁽²⁾	Animal feedmill and livestock farming	Tanzania	-	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. ⁽²⁾	Broiler chicken integration	United States of America	99.97	99.97
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	20.28
7.7) Sheng Da Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	11.93	19.89
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

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			2020	2019
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	49.75
10.1) Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	Malaysia	100.00	49.75
10.2) Charoen Pokphand Feedmills (B'worth) Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	49.75
10.3) Charoen Pokphand Feedmills (M) Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	49.75
10.4) Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	Malaysia	100.00	49.75
10.5) Linggi Poultry Farm (M) Sdn. Bhd. ⁽²⁾	Property lease-out	Malaysia	100.00	49.75
10.6) PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of animal feed, processed food and livestock farming	Malaysia	100.00	49.75
10.7) Teck Huat Farming Sdn. Bhd.	Livestock farming	Malaysia	100.00	49.75
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) During the year 2020, the Company sold the entire shares of investment in C.P. Aquaculture (Dongfang) Co., Ltd., C.P. Aquaculture (Zhanjiang) Co., Ltd. and Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd. to a subsidiary of C.P. Pokphand Co., Ltd.

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2 Basis of preparation of the financial statements

2.1 Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes accounting policies in note 3.

The Federation of Accounting Professions has revised a number of TFRSs which are effective for annual accounting periods beginning on or after 1 January 2021. The Group has not early adopted these TFRSs in the preparation of these financial statements. The Group has initially assessed the potential impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

2.2 Functional and presentation currency

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

2.3 Use of judgments and estimates

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

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

Note 4 and 17	Determining the incremental borrowing rate to measure lease liabilities
Note 5	Impact of COVID-19 Outbreak
Note 6	Fair value of the assets acquired and liabilities assumed
Note 11	Measurement of biological assets
Note 12, 14 to 16, 18 and 19	Key assumptions underlying recoverable amounts
Note 23	Measurement of defined benefit obligations
Note 29	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
Note 32	Measurement of ECL allowance for account receivables - trade and others and determining the fair value of financial instruments on the basis of significant unobservable inputs.

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3 Change in accounting policy

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follow:

	Consolidated		Separate	
	financial statements		financial statements	
	Unappropriated retained earnings	Other components of equity	Unappropriated retained earnings	Other components of equity
At 31 December 2019 - as reported	103,579	(21,772)	53,294	2,822
<i>Increase (decrease) due to:</i>				
Adoption of TFRS – Financial instruments standards				
Classification of financial instruments, derivative and hedge accounting	-	6,595	-	440
Impairment losses on financial assets	(90)	-	(42)	-
Related tax	21	(130)	8	(88)
Adoption of TFRS 16 – net of tax	(2,106)	-	(5)	-
	(2,175)	6,465	(39)	352
At 1 January 2020 - restated	101,404	(15,307)	53,255	3,174

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d). The impact from adoption of TFRS – Financial instruments standards are as follows:

1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

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The Group and the Company intend to hold non-marketable equity securities for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss upon disposal of the investment.

2) Impairment – Financial assets

TFRS 9 requires forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

The Group has determined that the application of TFRS 9’s impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	Separate financial statements
Allowance for impairment losses at 31 December 2019		
Allowance for doubtful account - Accounts receivable - trade and others	1,042	5
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Accounts receivable - trade and others	90	42
Allowance for impairment losses at 1 January 2020	1,132	47

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

3) Derivatives and hedge accounting

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Group documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment of the effectiveness, both at inception of the hedge relationship and on an ongoing basis.

These hedging relationships are cash flow hedges.

Previously, TFRS were silent on the requirements of hedge accounting and derivatives held for risk management purposes. In 2019, the Group accounted for these transactions as described in accounting policies in note 4(d.5) and 4(d.6).

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B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously under TAS 17, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group recognised right-of-use assets and lease liabilities for every contracts (except leases with less than 12 months of lease term and low value assets) which is the similar method as finance leases under the superseded TAS 17. In addition, TFRS16 requires the Group to assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price).

As a result of the above requirements under TFRS16, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and finance cost on lease liabilities.

On transition, the Group also elected to use the following recognition exemptions:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term and low value assets;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in prepaid expenses	(44)	(25)
Decrease in investments in associates	(509)	-
Decrease in property, plant and equipment	(3,105)	-
Decrease in leasehold rights	(8,520)	-
Increase in right-of-use assets	37,462	423
Increase (decrease) in deferred tax assets	447	(5)
Increase in lease liabilities	28,322	398
Decrease in retained earnings	(2,106)	(5)
Decrease in non-controlling interests	(485)	-

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	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16 (Continued)</i>		
<i>Measurement of lease liability</i>		
<i>At 1 January 2020</i>		
Operating lease commitment as disclosed at 31 December 2019	41,182	692
Recognition exemption for short-term leases	(378)	(30)
Recognition exemption for leases of low-value assets	(16)	(1)
Extension and termination options reasonably certain to be exercised	420	-
Variable lease payments based on an index or a rate	(79)	(27)
	<u>41,129</u>	<u>634</u>
Discounted using the incremental borrowing rate	(12,807)	(236)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	28,322	398
Finance lease liabilities recognised at 31 December 2019	2,795	-
Lease liabilities recognised at 1 January 2020	<u>31,117</u>	<u>398</u>
Weighted-average incremental borrowing rate (% per annum)	6.54	2.49

Right-of-use assets and lease liabilities shown above were presented as part of livestock business and aquaculture business segments.

4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

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

The acquisition date is the date on which control is transferred to the acquirer. All relevant facts and circumstances are considered in determining the acquisition date and determining whether control is transferred from one party to another. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

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

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

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

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

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

Step acquisition

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

Subsidiaries

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

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

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

Non-controlling interests

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

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Loss of control

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

Interests in equity-accounted investees

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

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

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

Transactions eliminated on consolidation

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

(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. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity 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.

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.

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(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

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

Foreign operations

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

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

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

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

(d) Financial Instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis and non-cancellation.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise and non-cancellation.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment

‘Principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss. However, See note 4(d.6) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss 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.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. 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. (See note 4(d.6) for financial liabilities designated as hedging instruments).

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to 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 enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

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.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. 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.6) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

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. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

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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 and the cost of 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 and the cost of 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 and the cost of hedging reserve are immediately reclassified to profit or loss.

Accounting policies applicable before 1 January 2020

Investments

Investments held as available for sale

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

General investments

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

Derivatives

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

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

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Hedging

Hedge of future foreign currency transactions

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

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

Hedge of interest rates

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

Interest-bearing liabilities

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

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(e) *Cash and cash equivalents*

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

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

(f) *Trade and other accounts receivable*

Trade and other accounts receivable are recognised when the Group has an unconditional right to receive consideration and are stated at their invoice value less allowance for impairment losses (*2019: allowance for doubtful accounts*).

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

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(g) Inventories

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

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

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

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

(h) Biological assets

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

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

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

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

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

(j) Investment properties

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

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

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

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

Transfers to property and plant

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

(k) Property, plant and equipment

Recognition and measurement

Owned assets of the Group

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

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

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

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

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

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

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

Transfers to investment properties

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

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Subsequent costs

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

Depreciation

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

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

Utilities system	3 - 40	years
Buildings and constructions	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

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

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

(l) Intangible assets

Goodwill

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

Research and development

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

Expenditure on development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing cost and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

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

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

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

Amortisation

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

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

The estimated useful lives are as follows:

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

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

(m) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

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

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

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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 the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

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 leased asset.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. 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.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

The Group recognises lease payments received under operating leases as rental income 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 income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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Determining whether an arrangement contains a lease

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

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

(n) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), except for investment in equity securities.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a contract.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, 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.

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

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

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised. 'Credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, and a breach of contract.

Write-off

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.

Accounting policies applicable before 1 January 2020

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.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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Reversal of impairment

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

- (1) For financial assets carried at amortised cost, the reversal is recognised in profit or loss.
- (2) For equity securities, the reversal is recognised directly in profit or loss.

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

Calculation of recoverable amount

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

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) 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.

(q) Employee benefits

Post-employment benefit - defined contribution plans

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

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Post-employment benefit - defined benefit plans

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

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

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.

(r) 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.

(s) 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.

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(t) Measurement of fair values

‘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.

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

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

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

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

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

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

(u) Revenue

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to 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.

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Dividend income

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

Other income

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

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

(v) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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.

Accounting policies applicable before 1 January 2020

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

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

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

(w) Income tax

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

Current tax

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

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Deferred tax

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(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.

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(y) *Related parties*

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

(z) *Segment reporting*

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

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, the lockdown of the risky area, the prohibition to entry the country, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation, providing co-operation to the government to ensure the sufficiency of food consumption for people and building confidence of the safety of the Group's staff and fully attempt to minimise the impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) *Impairment of assets*

The Group considered impairment of trade and other accounts receivable under simplified approach using historical loss rate and did not take factors with high uncertainty on the COVID-19 situation into account.

There was high uncertainty under COVID-19 situation; hence, the Group elected to exclude it as impairment indicator for property, plant and equipment, investment properties, intangible assets, and to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill, intangible assets with an indefinite useful life and intangible assets under installation.

(b) *Lease modifications*

The Group was granted a rent concession as a result of the COVID-19 situation. The Group gradually deducted lease liabilities, reversed depreciation of right-of-use assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences from the reduced rental in profit or loss.

(c) *Fair value measurement*

The Group elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

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(d) Deferred tax assets

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

6 Acquisition of a subsidiary and loss of control in a subsidiary

(a) Acquisition of a subsidiary

Share acquisition of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)

On 31 July 2020, CPF Investment Limited (“CPFI”), a subsidiary which 100% of its issued and paid-up share capital being owned by the Company, acquired the remaining ordinary shares of an overseas associate (Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)), from Standard Investment Pte. Ltd., a 100% indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”) at the amount of MYR 177 million or approximately Baht 1,281 million.

CPHM is incorporated in Malaysia and principally engages in integrated poultry businesses.

The Group obtained control of CPHM on 31 July 2020 (“Acquisition date”) through the acquisition of 50.25% interests combined with the Group’s interests previously had 49.75%, as a result, the Group held 100.00% interests of issued and paid-up share capital in CPHM.

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2019) *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:

Consideration transferred

(Unit: Million Baht)

	Fair value
Cash	1,281

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Identifiable assets acquired and liabilities assumed

(Unit: Million Baht)

	Fair value
Cash and cash equivalents	257
Accounts receivable - trade and others	1,186
Inventories	756
Current biological assets	383
Other current assets	128
Property, plant and equipment	3,072
Right-of-use assets	344
Intangible assets	3
Deferred tax assets	55
Other non-current assets	58
Bank overdrafts and short-term borrowings from financial institutions	(1,488)
Accounts payable - trade and others	(507)
Current portion of long-term borrowings	(99)
Current portion of lease liabilities	(47)
Other current liabilities	(239)
Long-term borrowings	(351)
Lease liabilities	(205)
Deferred tax liabilities	(132)
Net assets	3,174
Fair value of equity interests in CPHM prior to acquisition	(1,269)
Gain on bargain purchase	(624)
Consideration transferred	1,281
Cash received from acquisition of subsidiary	(257)
Net consideration paid for acquisition of subsidiary	1,024

As at the acquisition date, the Group had to measure the fair value of equity interests in CPHM prior to acquisition. The measurement resulted in loss on changes in fair value which was recognised as “Loss on changes in fair value of investment in an associate” in the consolidated statements of income for the year ended 31 December 2020. Details as follows:

(Unit: Million Baht)

Fair value of equity interests in CPHM prior to acquisition	1,269
Less investment in CPHM accounted for equity method in CPFI at the acquisition date	(1,322)
Loss on changes in fair value of investment in an associate	(53)

As at 31 December 2020, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3 (revised 2019). In this regards, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

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Operating results of CPHM for the period from 31 July 2020 to 31 December 2020 included in the consolidated statement of income for the year ended 31 December 2020 has significant details as follows:

	<i>(Unit: Million Baht)</i> For the year ended 31 December 2020
Revenue from sale of goods	4,002
Profit for the period attributable to equity holders of the Company	32

If the acquisition of CPHM had occurred on 1 January 2020, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the period ended 31 December 2020 would have been as follows:

	<i>(Unit: Million Baht)</i> For the year ended 31 December 2020
Revenue from sale of goods	595,105
Profit for the period attributable to equity holders of the Company	26,103

(b) Loss of control in a subsidiary

On 1 December 2020, Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary through C.P. Pokphand Co., Ltd. (“CPP”) acquired shares of the swine businesses in China from Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. (the “Seller”), an indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”), whereby CTI issued new shares equaled to 65.00% of its registered capital after the share increased to the Seller as the consideration (“Transaction”). The value of the Transaction is RMB 28,140 million or approximately Baht 131,287 million.

Upon the completion of the transaction, CTI changed its status from a subsidiary of the Group to an associate and the Group lost control in CTI whereby CPP and the Group hold 35.00% and 18.28% in CTI, respectively.

The carrying amount of equity interest in CTI in the Group’s consolidated statement on the date of the transaction was Baht 59,846 million. In this regard, the fair value of the Group’s retained interest in CTI was Baht 71,045 million based on the independent appraisal report, which became the initial investment cost of CTI. The Group recognised a gain on loss of control in a subsidiary of Baht 11,199 million.

The purchase price allocation is a judgemental exercise to determine the fair value of assets acquires and liabilities assumed from the acquisition. However, the assessment of fair value was not yet completed as at 31 December 2020. The fair value is estimated for accounting records.

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The carrying amount of net assets on the date when control of CTI was lost comprised the following:

		<i>(Unit: Million Baht)</i>
	<i>Note</i>	
Cash and cash equivalents		12,926
Accounts receivable - trade and others		10,061
Inventories		11,557
Other current assets		2,259
Investments in equity securities	32	512
Investments in associates	14	3,498
Investments in joint ventures	15	572
Investment properties		212
Property, plant and equipment		23,345
Right-of-use assets		6,446
Other intangible assets	19	1,030
Goodwill	18	28,547
Deferred tax assets	29	194
Other non-current assets		140
Current liabilities		(37,687)
Deferred tax liabilities	29	(1,080)
Non-current liabilities		(7,594)
Carrying amount of net assets		<u>54,938</u>
Carrying amount attributable to equity holders of the Company		30,643
Carrying amount attributable to non-controlling interests		24,295
Total shareholders' equity		<u>54,938</u>
Effect in cash from loss of control in a subsidiary		<u>(12,926)</u>
Fair value of interest in CTI	14	71,045
Less carrying amount of investment previously held and equity interest in CTI		(59,846)
Gain on loss of control in a subsidiary		<u>11,199</u>
Gain on loss of control in CTI		
Attributable to equity holders of the Company		3,909
Attributable to non-controlling interests		7,290
Total		<u>11,199</u>

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7 Related party transactions

Relationships with subsidiaries, associates and joint ventures are described in notes 12, 14 and 15. The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 48.42% of the Company's voting rights as of the latest closing date of shareholder register book on 2 June 2020.

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

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

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

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
(a) Income					
	Significant influence entity				
	Sale of goods	1	2	-	-
	Software application income	1	1	-	-
	Training and seminar income	-	1	-	-
	Rental, service and other income	-	1	-	-
	Subsidiaries				
	Dividend income	-	-	11,522	11,517
	Sale of goods	-	-	4,808	2,733
	Interest income	-	-	1,585	4,362
	Gain on sale of investments	-	-	853	-
	Rental, service and other income	-	-	6	6
	Gain on sale of fixed assets	-	-	-	14

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				(Unit: Million Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
(a)	<i>Income (Continued)</i>				
	Associates, joint ventures and related companies				
	Sale of goods	77,233	63,079	2,023	1,248
	Rental, service and other income	259	214	4	4
	Dividend income	116	124	121	9
	Software application income	62	72	-	-
	Interest income	14	14	-	-
	Training and seminar income	5	8	-	-
	Gain on sale of fixed assets	2	36	-	-
(b)	<i>Expenses and others</i>				
	Significant influence entity				
	Purchase of raw materials and goods	9,526	9,537	2,083	2,296
	Trademark license fees	4,030	2,987	303	233
	Technical service fees	58	444	-	9
	Subsidiaries				
	Purchase of raw materials and goods	-	-	1,691	2,368
	Interest expense	-	-	364	45
	Software application fees	-	-	147	158
	Training and seminar fees	-	-	13	19
	Rental and service fees	-	-	8	56
	Purchase of intangible assets	-	-	1	-
	Loss on sale of investment	-	-	-	454
	Other expenses	-	-	54	44
	Associates, joint ventures and related companies				
	Purchase of raw materials and goods	76,645	65,512	694	544
	Construction costs of buildings, structures and others	2,362	3,648	71	196
	Rental and service fees	1,276	1,912	112	258
	Purchase of right-of-use assets	1,097	-	182	-
	Training and seminar fees	526	258	12	28
	Purchase of trademarks	377	-	-	-
	Purchase of equipment and others	206	186	20	38
	Trademark license fees	64	92	-	-
	Software application fees	75	70	-	-
	Interest expense	19	12	-	-
	Other expenses	1,737	1,618	128	119

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(c) **Business acquisition**

(c.1) CPF Investment Limited (“CPFI”), a subsidiary which 100% of its issued and paid-up share capital being owned by the Company, acquired the remaining ordinary shares of an overseas associate (Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)), from Standard Investment Pte. Ltd., an indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”). As at 31 December 2020, the transaction was completed and disclosed in note 6 (a).

(c.2) Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary through C.P. Pokphand Co., Ltd. (“CPP”) acquired shares of the swine businesses in China from Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. (the “Seller”), an indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”). As at 31 December 2020, the transaction was completed and disclosed in note 6 (b).

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

7.2.1 Accounts receivable - trade and others

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
Significant influence entity	1	2	-	-
Subsidiaries	-	-	523	659
Associates and joint ventures	4,680	5,182	37	39
Related companies	3,772	7,371	593	530
Total	8,453	12,555	1,153	1,228

7.2.2 Short-term loans

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2020	2019	2020	2019
Joint ventures	-	188	-	64
Total	-	188	-	64

	Separate financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2020	2019	2020	2019
Subsidiaries	20,024	43,075	23,912	47,451
Total	20,024	43,075	23,912	47,451

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

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7.2.3 Advance payments for purchase of goods

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Joint ventures	41	8	-	-
Related companies	725	3,685	-	-
Total	766	3,693	-	-

7.2.4 Accrued dividend income

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiaries	-	-	-	2,690
Associates	3,729	128	-	-
Related companies	38	37	-	-
Total	3,767	165	-	2,690

7.2.5 Accrued interest income

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Joint ventures	-	1	-	-
Total	-	1	-	-

7.2.6 Long-term loans

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2020	2019	2020	2019
Associate	49	29	44	6
Total	49	29	44	6

	Separate financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2020	2019	2020	2019
Subsidiary	570	600	575	15,799
Total	570	600	575	15,799

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

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7.2.7 Accounts payable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2020	2019	2020	2019
Significant influence entity	1,167	429	71	63
Subsidiaries	-	-	62	97
Associates and joint ventures	4,573	497	7	6
Related companies	6,146	4,664	59	84
Total	11,886	5,590	199	250

7.2.8 Short-term borrowings

	Consolidated financial statements		<i>(Unit: Million Baht)</i>	
	Outstanding balance		Average balance	
	2020	2019	2020	2019
Associate	414	-	84	-
Related company	9	-	1	-
Joint ventures	-	657	-	615
Total	423	657	85	615

	Separate financial statements		<i>(Unit: Million Baht)</i>	
	Outstanding balance		Average balance	
	2020	2019	2020	2019
Subsidiaries	13,251	6,500	9,968	1,542
Total	13,251	6,500	9,968	1,542

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

7.2.9 Lease liabilities

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2020	2019	2020	2019
Subsidiary	-	-	42	-
Associates	553	-	-	-
Related companies	3,048	-	264	-
Total	3,601	-	306	-

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7.3 Balances of loans/borrowings and interest rates

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

(Unit: Million Baht)

	Consolidated financial statements					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2020	2019	2020	2019	2020	2019
Short-term loans to joint ventures	-	188	-	-	-	4.74
Long-term loans to associate	-	29	49	-	2.81	3.51
Short-term borrowing to associates	414	-	-	-	4.18	-
Short-term borrowing from joint ventures	-	657	-	-	-	2.00
Short-term borrowing from related company	9	-	-	-	6.50	-

(Unit: Million Baht)

	Separate financial statements					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2020	2019	2020	2019	2020	2019
Short-term loans to subsidiaries	-	-	20,024	43,075	5.88	6.88
Long-term loans to subsidiary	570	600	-	-	5.00	5.00
Short-term borrowing from subsidiaries	13,251	6,500	-	-	3.52	3.85

7.4 Key management personnel compensation

Key management personnel compensation consists of:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the year ended 31 December				
Short-term employee benefits	1,556	1,324	205	169
Post-employment under defined benefit plans	26	60	5	15
Total	1,582	1,384	210	184
As at 31 December				
Provisions for employee benefits	627	466	98	108
Total	627	466	98	108

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7.5 Commitments

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

Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	<u>318</u>	<u>703</u>	<u>2</u>	<u>7</u>

7.6 Significant agreements

As at 31 December 2020, the Group had the following significant agreements with related parties:

7.6.1 Technical service agreement

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

7.6.2 Trademark agreements

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

CPF Restaurant and Food Chain Co., Ltd., a 99.99% indirectly owned subsidiary of the Company, entered into an agreement with a related company (Star Marketing Co., Ltd. and Farm Factory World Co., Ltd.) to acquire a trademark for total consideration of Baht 349 million and Baht 28 million.

7.6.3 Application system service agreement

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

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7.6.4 Service agreements for import and export transactions

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

7.6.5 Software application agreements

A subsidiary (CPF IT Center Co., Ltd.) has information technology service and software application agreements with local and foreign related companies. The terms and the service fees are stipulated in the agreements. The agreements may be terminated upon either party agreeing to terminate the agreements or either party being in breach of the agreements.

7.6.6 Share Purchase Agreement

During the year 2019, the Company entered into the Share Purchase Agreement to sell 100% equity capital held by the Company in C.P. Aquaculture (Dongfang) Co., Ltd., Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd., and C.P. Aquaculture (Zhanjiang) Co., Ltd., to CP China Investment Limited which is a foreign indirect subsidiary for a total consideration of Renminbi 425 million or equivalent to approximately Baht 1,946 million. As at 31 December 2019, the Company classified these investments in subsidiaries to non-current assets classified as held for sale in the separate statement of financial position.

As at 31 December 2020, the transaction has been completed. The Company recognised gain on sale of investment amounting Baht 804 million in the separate statements of income.

8 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash at financial institutions and on hand	46,116	25,342	2,812	1,066
Highly liquid short-term investments	10,919	6,752	-	-
Total	57,035	32,094	2,812	1,066

(Unit: Million Baht)

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9 Accounts receivable - trade and others

		(Unit: Million Baht)			
Note		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
	Related parties	8,453	12,555	1,153	1,228
	Other parties	22,509	21,605	1,508	1,285
	Total	30,962	34,160	2,661	2,513
	Less allowance for impairment losses	(1,010)	(1,042)	(77)	(5)
	Net	29,952	33,118	2,584	2,508
	Impairment losses (reversal of) for the year ended 31 December	365	544	31	(1)

10 Inventories

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
	Raw materials	25,419	32,346	1,286	1,495
	Chemicals and supplies	2,840	2,874	161	154
	Work in progress	1,950	1,620	243	268
	Finished goods	16,220	18,023	1,123	853
	Inventories in transit	6,441	6,677	8	3
	Total	52,870	61,540	2,821	2,773
	Less allowance for decline in value of inventories	(734)	(553)	(45)	(106)
	Net	52,136	60,987	2,776	2,667

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2020 amounted to Baht 386,933 million (2019: Baht 350,951 million) in the consolidated statement of income and Baht 14,641 million (2019: Baht 14,012 million) in the separate statement of income.

In 2020, the Group and the Company recognised losses for decline in value of inventories of Baht 181 million (2019: Baht 22 million) and recognised a reversal of allowance for decline in value of inventories of Baht 61 million (2019: recognised losses for decline in value of inventories of Baht 61 million) respectively.

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11 Biological assets

Movements for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
At 1 January	45,161	42,894	1,059	847
Acquired through business combination	383	-	-	-
Increase due to purchase/raise	146,122	151,600	7,736	8,293
Decrease due to sale/harvest	(137,665)	(145,525)	(7,588)	(7,882)
Depreciation	(6,016)	(6,097)	(133)	(136)
Gains (losses) on change in fair value less costs to sell	(270)	3,235	-	-
Currency translation differences	(178)	(1,979)	-	-
Others	(81)	1,033	(89)	(63)
Balance at 31 December	47,456	45,161	985	1,059
<i>Current</i>				
Livestock	37,004	35,236	-	-
Aquatic	1,921	1,868	985	1,059
Total current	38,925	37,104	985	1,059
<i>Non-current</i>				
Livestock	8,531	8,057	-	-
Total non-current	8,531	8,057	-	-
Total	47,456	45,161	985	1,059

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:

	Consolidated financial statements		<i>(Unit: Tons)</i> Separate financial statements	
			financial statements	
	2020	2019	2020	2019
Livestock	938,389	847,822	-	-
Aquatic	24,385	24,942	4,325	4,682

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 2020					
Biological assets at fair value					
less costs to sell	19,452	-	3,132	16,320	19,452
31 December 2019					
Biological assets at fair value					
less costs to sell	19,474	-	4,234	15,240	19,474

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	<p>Reference market price as at 31 December 2020</p> <ul style="list-style-type: none"> • Suckling swine Baht 1,302 per head • Weanling swine Baht 2,109 per head • Fattening swine Baht 98 per kilogram • Sow Baht 10,906 to Baht 16,410 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 1,740 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.

12 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019	2020	2019
At 1 January	-	-	191,466	151,976
Acquisitions/additional investments	-	-	40,145	41,380
Disposals	-	-	(4,187)	(602)
Impairment losses	-	-	(56)	(204)
Classified as non-current asset available for sale	-	-	-	(1,084)
At 31 December	-	-	227,368	191,466

During the year 2020, the Company sold 99.99% of its interest in Chester Food Co., Ltd. and 100% of its interest in C.P. Standart Gida Sanayi ve Ticaret A.S. with the carrying amount of Baht 450 million and Baht 3,737 million, respectively. The Company recognised gains on sale of investments of Baht 52 million.

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Details of investments in subsidiaries and dividend income

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

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Marketable securities												
C.P. Pokphand Co., Ltd.	4.98	4.98	7,973	7,973	4,691	4,691	-	-	4,691	4,691	312	169
Chia Tai Enterprises International Limited	4.98	4.98	840	840	500	500	-	-	500	500	-	-
Total					5,191	5,191	-	-	5,191	5,191	312	169
Non-marketable securities												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	567	179
CPF (Thailand) Public Company Limited	99.99	99.99	15,289	15,289	48,510	48,510	-	-	48,510	48,510	1,070	-
CPF Training Center Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	40	-
CPF IT Center Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	-	200
C.P. Merchandising Co., Ltd.	87.54	99.99	44,500	9,000	38,999	9,000	-	-	38,999	9,000	5,100	8,280
Chester Food Co., Ltd.	-	99.99	80	80	-	450	-	-	-	450	-	-
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	500	500	-	-	500	500	-	-
Bellisio Investment, LLC	100.00	100.00	37,072	26,991	37,072	26,991	-	-	37,072	26,991	-	-

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Details of investments in subsidiaries and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		share capital				impairment				for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	-	-	126	126	-	-
C.P. Foods Holdings Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	896
C.P. Foods International Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
C.P. Standart Gida Sanayi ve Ticaret A.S.	-	79.37	6,596	6,596	-	3,736	-	-	-	3,736	-	-
CP Foods Capital Limited	100.00	-	-	-	1	-	-	-	1	-	-	-
CP Foods Singapore Pte Ltd.	100.00	-	34	-	34	-	-	-	34	-	-	-
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	8	8	(8)	(8)	-	-	-	-
Charoen Pokphand Foods (Overseas) LLC	8.15	8.15	3,420	3,420	1,394	1,394	(1,141)	(1,085)	253	309	-	-
Charoen Pokphand Foods Philippines Corporation	23.81	23.81	4,487	4,487	1,055	1,055	-	-	1,055	1,055	-	-
CPF Investment Limited	100.00	100.00	55,662	55,662	55,644	55,644	-	-	55,644	55,644	4,433	1,793
CPF Tanzania Limited	58.26	58.26	224	224	129	129	(129)	(129)	-	-	-	-
CPF Netherlands B.V.	99.99	99.99	37,663	37,663	38,148	38,148	-	-	38,148	38,148	-	-
CPF Poland S.A.	66.67	66.67	185	141	124	95	-	-	124	95	-	-
Homegrown Shrimp (USA) LLC	100.00	100.00	209	209	209	209	-	-	209	209	-	-
Total					223,455	187,497	(1,278)	(1,222)	222,177	186,275	11,210	11,348
Grand Total					228,646	192,688	(1,278)	(1,222)	227,368	191,446	11,522	11,517

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13 Non-controlling interests

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

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2020	2019	2020	2019	2020	2019
Non-controlling interests percentage*	47.76	47.76	49.57	49.57	61.00	61.00
Current assets	73,065	69,090	2,847	2,718	6,086	6,683
Non-current assets	142,935	94,233	8,227	7,092	17,900	12,899
Current liabilities	(42,277)	(66,657)	(1,253)	(923)	(6,248)	(6,419)
Non-current liabilities	(40,946)	(34,751)	(1,419)	(1,423)	(5,299)	(3,535)
Net assets	132,777	61,915	8,402	7,464	12,439	9,628
Goodwill of non-controlling interests	4,597	12,875	-	273	-	-
Carrying amount of non-controlling interests**	58,609	40,910	2,820	2,917	6,868	5,080

* 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	
	2020	2019	2020	2019	2020	2019
Revenue	313,944	217,114	3,046	3,355	23,906	23,173
Profit for the year	74,808	13,946	535	525	1,688	1,546
Other comprehensive income	(3,315)	(747)	461	(632)	434	(119)
Total comprehensive income	71,493	13,199	996	(107)	2,122	1,427
Profit (loss) attributable to non-controlling interests	17,031	5,256	(213)	(746)	1,137	1,025
Other comprehensive income attributable to non-controlling interests	(755)	(281)	172	(253)	292	(79)
Cash flows from operating activities	29,368	17,729	121	(226)	2,807	1,941
Cash flows from investing activities	(24,594)	(10,349)	(326)	(331)	(3,350)	(1,057)
Cash flows from financing activities	(2,324)	(6,684)	7	97	(434)	156
Effect of exchange rate changes on balances held in foreign currencies	961	(160)	32	(6)	(13)	(7)
Net increase (decrease) in cash and cash equivalents	3,411	536	(166)	(466)	(990)	1,033
Dividend paid to non-controlling interests	3,772	2,291	119	74	1,054	541

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14 Investments in associates

Movements during the years ended 31 December were as follows:

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
At 1 January		105,893	96,126	335	335
Share of profit		7,133	8,256	-	-
Share of other comprehensive income (expense)		3	-	-	-
Dividend income		(6,568)	(3,843)	-	-
Acquisition/additional investments		46,716	10,774	5,378	-
Disposals		(1,572)	(4,458)	(179)	-
Previously held interest in subsidiary before status change to associate	6	71,045	-	-	-
Disposal of previously held interest in associate from loss control in a subsidiary	6	(3,489)	-	-	-
Previously held interest in associate before status change to subsidiary	6	(1,322)	-	-	-
Impact from change in accounting policy	3	(509)	-	-	-
Exchanges with Exchangeable Bonds		-	(23)	-	-
Currency translation differences		382	(651)	-	-
Others		127	(288)	-	-
At 31 December		217,839	105,893	5,534	335

The Group accounts for the investment in ordinary shares of an associate, CP ALL Public Company Limited (“CPALL”), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2020, the fair value of this investment was Baht 178,476 million (2019: Baht 219,824 million).

During the year 2020, the Company entered into an agreement to acquire 90 million shares of CPALL from a subsidiary (C.P. Merchandising Co., Ltd.) amounting to Baht 5,377 million by offsetting the consideration of the shares with short-term loan to subsidiary. In addition, the Group and the Company sold portions of the investment in associates with the carrying amount of Baht 1,571 million and Baht 179 million respectively (2019: the Group had a carrying amount of investment of Baht 4,458 million) with gain on sale of investments amounting of Baht 1,575 million and Baht 30 million, respectively. (2019: the Group had a gain on sale of investment of Baht 8,027 million).

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On 17 December 2020, C.P. Merchandising Co., Ltd. (“CPM”), a 99.99% owned subsidiary of the Company, to acquire shares or economic interest of up to 20.00% of the total issued shares in:

- Tesco Stores (Thailand) Limited (“Tesco Thailand”) holding 99.99% of the shares in Ek-Chai Distribution System Co., Ltd., which operates retail business under Tesco Lotus brand in Thailand; and
- Tesco Stores (Malaysia) Sdn. Bhd. (“Tesco Malaysia”) which operates retail business under Tesco brand in Malaysia

Tesco Thailand and Tesco Malaysia are collectively referred to as “Tesco Asia Group”.

In this regard, the investment by CPM was made indirectly through two special purpose vehicles being C.P. Retail Holding Co., Ltd. (the “Holding Company”) which has total issued share of Baht 199,480 million and owns total share capital in C.P. Retail Development Co., Ltd. (the “Acquiring Entity”). The value of the investment by CPM in the Holding Company is approximately Baht 40,973 million, which has been paid in cash during the year and the shares transferred were completed.

The Tesco Asia Group indirect investment transaction was completed on 18 December 2020. The purchase price allocation is a judgemental exercise to determine the fair value of assets acquires and liabilities assumed from the acquisition. The consideration transferred with any resulting differences recognised as goodwill of Baht 45,304 million which was recorded as a 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 2020. The fair value is estimated for accounting records.

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Details of investments in associates and dividend income

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

(Unit: Million Baht)

(Unit: Million Baht)															
Consolidated financial statements															
	Country of operation	Ownership interest (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Marketable security															
CP ALL Public Company Limited	Thailand	34.10	33.86	8,983	8,983	85,163	81,914	103,208	98,848	-	-	103,208	98,848	3,801	3,624
Total						85,163	81,914	103,208	98,848	-	-	103,208	98,848	3,801	3,624
Non-marketable securities															
C.P. Retail Holding Co., Ltd	Thailand	20.00	-	199,480	-	40,973	-	40,931	-	-	-	40,931	-	-	-
Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,206	1,203	160	159	163	163	-	-	163	163	-	-
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	70	70	35	35	151	132	-	-	151	132	42	51
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	60	60	23	18	15	17	-	-	15	17	-	-
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	4	4	2	2	206	187	-	-	206	187	85	45
A.P.P Enterprise INC.	Philippines	39.60	-	-	-	-	-	117	-	-	-	117	-	-	-
BHJ Kalino Food AB (“BHJ”) *	Sweden	15.08	15.08	5	5	24	24	26	28	-	-	26	28	4	4
C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	595	658	-	-	595	658	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Malaysia	-	49.75	-	353	-	176	-	1,275	-	-	-	1,275	-	-

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

(Unit: Million Yuan)															
Consolidated financial statements															
	Country of operation	Ownership (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Chia Tai Conti (Cixi) Investment Management Co., Ltd.															
	China	26.12	26.12	15	15	8	8	4	5	-	-	4	5	-	-
Chia Tai Investment Co., Ltd. **															
	China	18.28	-	19,215	-	71,045	-	70,484	-	-	-	70,484	-	1,689	-
Cixi Zhuda Investment Centre Limited Partnership **															
	China	0.52	0.52	7	7	-	-	-	-	-	-	-	-	-	-
Conti Chia Tai International Limited															
	China	26.12	26.12	767	767	1,052	1,052	1,409	1,977	-	-	1,409	1,977	824	-
Ningxia Xiao Ming Animal Husbandry Co., Ltd.															
	China	-	8.40	-	362	-	749	-	745	-	-	-	745	-	5
Qingdao Yi Bang Bio Engineering Co., Ltd.															
	China	-	6.27	-	147	-	1,358	-	1,346	-	-	-	1,346	85	94
Zhan Jiang Deni Carburetor Co., Ltd. ***															
	China	14.12	14.12	669	669	424	424	530	512	-	-	530	512	38	20
Total						113,922	4,181	114,631	7,045	-	-	114,631	7,045	2,767	219
Grand total						199,085	86,095	217,839	105,893	-	-	217,839	105,893	6,568	3,843

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

** Chia Tai Investment Co., Ltd. (“CTI”) and Cixi Zhuda Investment Centre Limited Partnership (“Cixi Zhuda”) are associates in which 35.00% and 1.00% respectively of the total issued and paid-up share capital were held by C.P. Pokphand Co., Ltd. (“CPP”), a 52.24% direct and indirectly owned subsidiary. Therefore, the Group accounted for its investments in CTI and Cixi Zhuda using the equity method based on 18.28% and 0.52% shareholding in the consolidated financial statements respectively. 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. Therefore, the Group classified the aforementioned investments as investments in associates.

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

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

		Separate financial statements												
	Country of operation	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year		
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
<i>Marketable security</i>														
	CP ALL Public Company Limited	Thailand	0.97	-	8,983	-	5,198	-	-	5,198	-	113	-	
	<i>Total</i>					<u>5,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,198</u>	<u>-</u>	<u>113</u>	<u>-</u>	
<i>Non-marketable securities</i>														
	Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,206	1,203	160	159	-	-	160	159	-	-
	C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	-	-	176	176	-	-
	Lotus Distribution International Company Limited	British Virgin Islands	20.50	20.50	50	1	<u>1</u>	<u>1</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total					<u>337</u>	<u>336</u>	<u>(1)</u>	<u>(1)</u>	<u>336</u>	<u>335</u>	<u>-</u>	<u>-</u>	
	Grand Total					<u>5,535</u>	<u>336</u>	<u>(1)</u>	<u>(1)</u>	<u>5,534</u>	<u>335</u>	<u>113</u>	<u>-</u>	

CP ALL Public Company Limited (“CP ALL”) is an associate in which 0.97% of the total issued and paid share capital was held by the Company and the Company exercises significant influence in CP ALL by having representatives in the board of directors and involving in setting the policy and making the significant decisions for its. Therefore, the Company classified aforementioned investment as investment in an associate. The Company accounted its investment in CP ALL using the cost method in the Separate 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:

	CP ALL Public Company Limited and its subsidiaries		C.P. Retail Holding Co., Ltd.	(Unit: Million Baht) Chia Tai Investment Co., Ltd.
	2020	2019	2020	2020
<i>Financial information of the associate</i>				
Revenue	546,527	571,110	9,716	32,455
Profit (loss) from continuing operations	16,503	22,694	(158)	6,167
Other comprehensive income (expense)	598	(1,274)	(48)	(520)
Total comprehensive income (expense)	17,101	21,420	(206)	5,647
Attributable to non-controlling interests	400	351	-	-
Attributable to the equity holder of the associate	16,701	21,069	(206)	5,647
Current assets	81,404	71,923	44,786	79,895
Non-current assets	441,950	303,694	131,242	220,385
Current liabilities	(203,003)	(112,917)	(165,407)	(71,153)
Non-current liabilities	(208,756)	(154,332)	(37,289)	(26,187)
Net assets	111,595	108,368	(26,668)	202,940
Attributable to non-controlling interests	31,243	32,038	7	6,415
Attributable to the equity holder of the associate	80,352	76,330	(26,675)	196,525

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	CP ALL Public Company Limited and its subsidiaries		C.P. Retail Holding Co., Ltd.	(Unit: Million Baht) Chia Tai Investment Co., Ltd.
	2020	2019	2020	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	25,845	22,696	(5,294)	-
Total comprehensive income attributable to the Group	5,678	7,095	(41)	1,128
Dividends received during year	(3,801)	(3,624)	-	(1,689)
Impact from change in accounting policy	(479)	-	-	-
Difference from change in ownership	157	(322)	-	36,496
Group's interests in net assets of the associate				
at end of year	27,400	25,845	(5,335)	35,935
Goodwill	75,808	73,003	45,304	34,549
Transaction costs	-	-	165	-
Transfer from cash flow hedge reserve	-	-	797	-
Carrying amount of the interests in the associate at 31 December	103,208	98,848	40,931	70,484

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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	
	2020	2019
Carrying amount of interests in immaterial associates	3,216	7,045
Group's share of:		
- Profit from continuing operations	560	733
- Other comprehensive income	326	(383)
- Total comprehensive income	886	350

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

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
Group's share of contingent liabilities	13	13

15 Investments in joint ventures

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
At 1 January	19,434	9,596
Share of profit	2,121	637
Dividend income	(525)	(224)
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)	-
Acquisitions/additional investments	359	9,855
Currency translation differences	232	(430)
Others	(6)	-
At 31 December	21,014	19,434

	<i>(Unit: Million Baht)</i>	
	Separate	
	financial statements	
	2020	2019
At 1 January	4,360	4,360
Share of profit	-	-
Dividend income	-	-
Transfer previously held interest in joint venture before status change to subsidiary	-	-
Disposal of previously held interest in joint venture from loss control in a subsidiary	-	-
Acquisitions/additional investments	-	-
Currency translation differences	-	-
Others	-	-
At 31 December	4,360	4,360

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Details of investments in joint ventures and dividend income

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

(Unit: Million Baht)

	Consolidated financial statements														
	Country of operation	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		(%)													
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non-marketable securities															
CP-Meiji Co., Ltd. (“CP-Meiji”) *	Thailand	59.99	59.99	500	500	1,200	1,200	2,664	2,414	-	-	2,664	2,414	240	180
Dak Galbi Group Co., Ltd.	Thailand	-	41.35	-	133	-	55	-	36	-	-	-	36	-	-
Andhra Pradesh Broodstock Multiplicationcentre Private Limited **	India	74.99	74.99	132	132	98	98	91	92	-	-	91	92	-	-
Beijing Chia Tai Feedmill Co., Ltd.	China	-	26.12	-	157	-	128	-	231	-	-	-	231	-	-
Camamor Produtos Marinhos S.A.	Brazil	40.00	40.00	103	103	566	566	409	496	-	-	409	496	-	-
CP-MP Logistics Joint Stock Company	Vietnam	32.43	32.43	9	16	4	8	2	7	-	-	2	7	-	-
ECI Metro Enterprises (Hong Kong) Co., Ltd.	Hong Kong	25.21	-	-	-	-	-	-	-	-	-	-	-	-	-
ECI Metro Investment Co., Ltd.	China	25.21	25.21	378	378	1,296	1,296	2,986	2,666	-	-	2,986	2,666	-	-
Feng Sheng Livestock Co., Ltd.	Taiwan	19.51	-	214	-	107	-	107	-	-	-	107	-	-	-
Handan Chia Tai Feed Co., Ltd.	China	-	26.12	-	56	-	-	-	20	-	-	-	20	3	1

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

(Unit: Million Baht)

Consolidated financial statements															
Country of operation	Ownership interest (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
Henan East Chia Tai Co., Ltd.	China	-	26.12	-	170	-	225	-	231	-	-	-	231	-	40
HyLife Group Holdings Ltd. **	Canada	50.10	50.10	1,555	1,555	9,988	9,736	11,272	9,736	-	-	11,272	9,736	282	-
SuperDrob S.A.	Poland	49.45	49.45	4,708	4,708	3,794	3,794	3,476	3,501	-	-	3,476	3,501	-	-
Westbridge Foods Holding B.V. **	Netherlands	50.00	50.00	1	1	6	6	7	4	-	-	7	4	-	3
Total						17,059	17,112	21,014	19,434	-	-	21,014	19,434	525	224

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

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

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

Immaterial joint ventures

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

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
Carrying amount of interests in immaterial joint ventures	21,014	19,434
Group's share of:		
- Profit from continuing operations	2,121	637
- Other comprehensive income	229	(429)
- Total comprehensive income	2,350	208

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	
	2020	2019
Group's share of the commitments	627	382

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

(Unit: Million Baht)

		Separate financial statements											
	Country of operation	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Non-marketable securities</i>													
Camamor Produtos													
Marinhos S.A.	Brazil	40.00	40.00	103	103	566	566	-	-	566	566	-	-
SuperDrob S.A.	Poland	49.45	49.45	4,708	4,708	3,794	3,794	-	-	3,794	3,794	-	-
Total						4,360	4,360	-	-	4,360	4,360	-	

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16 Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Cost/revaluation						
At 1 January 2019	33,448	111,488	106,368	13,988	23,376	288,668
Additions	264	781	2,168	980	23,603	27,796
Acquired through business acquisitions	-	123	62	-	3	188
Surplus on revaluation	178	-	-	-	-	178
Transfers	262	10,066	12,339	653	(23,330)	(10)
Transfers from investment properties	-	126	8	-	-	134
Disposals	(293)	(1,956)	(2,775)	(673)	(70)	(5,767)
Currency translation differences	(370)	(4,966)	(5,612)	(738)	(952)	(12,638)
At 31 December 2019	33,489	115,662	112,558	14,210	22,630	298,549
Recognition of right-of-use assets on initial application of TFRS 16 (see note 3(b))	-	(1,502)	(148)	(73)	(1,629)	(3,352)
At 1 January 2020						
- as adjusted	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	49,102	107,216	106,442	12,324	21,088	296,172

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16 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Consolidated financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Accumulated depreciation and impairment losses						
At 1 January 2019	-	(37,137)	(47,336)	(8,994)	-	(93,467)
Depreciation charge for the year	-	(5,715)	(8,464)	(1,352)	-	(15,531)
Impairment losses	-	(395)	(514)	(3)	-	(912)
Transfers	-	12	(19)	5	-	(2)
Disposals	-	1,497	2,170	587	-	4,254
Currency translation differences	-	1,575	2,493	471	-	4,539
At 31 December 2019	-	(40,163)	(51,670)	(9,286)	-	(101,119)
Recognition of depreciation of right-of-use asset on initial application of TFRS 16 (see note 3(b))	-	143	90	14	-	247
At 1 January 2020 - as adjusted	-	(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	-	(38,035)	(50,285)	(7,714)	-	(96,034)
 Owned assets	33,489	74,088	60,259	4,140	22,630	194,606
Assets under finance leases	-	1,411	629	784	-	2,824
At 31 December 2019	33,489	75,499	60,888	4,924	22,630	197,430
 Owned assets	49,102	69,181	56,157	4,610	21,088	200,138
At 31 December 2020	49,102	69,181	56,157	4,610	21,088	200,138

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16 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 2019	6,383	13,335	12,370	1,169	666	33,923
Additions	-	-	125	32	588	745
Transfers	-	570	190	3	(764)	(1)
Disposal	-	(1,369)	(1,267)	(160)	(3)	(2,799)
At 31 December 2019 and 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	9,221	12,607	11,676	1,037	117	34,658
Accumulated depreciation and impairment losses						
At 1 January 2019	-	(8,279)	(8,368)	(1,057)	-	(17,704)
Depreciation charge for the year	-	(687)	(741)	(52)	-	(1,480)
Disposals	-	1,109	1,143	156	-	2,408
At 31 December 2019 and 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	-	(8,460)	(8,398)	(965)	-	(17,823)
Net book value						
At 31 December 2019	6,383	4,679	3,452	91	487	15,092
At 31 December 2020	9,221	4,147	3,278	72	117	16,835

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 46,590 million (2019: Baht 52,755 million) in the consolidated statement of financial position, and Baht 9,971 million (2019: Baht 9,622 million) in the separate statement of financial position.

Capitalised borrowing cost in 2020 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 434 million and Baht 4 million, respectively (2019: Baht 620 million and Baht 8 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 49,102 million and Baht 9,221 million, respectively (2019: Baht 33,489 million and Baht 6,383 million, respectively).

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

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

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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).

17 Leases

As a lessee

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	Separate financial statements
At 31 December 2020		
Right-of-use assets		
Land and buildings	25,701	173
Equipment	1,987	31
Vehicles	1,357	219
Leasehold rights	3,328	-
Total	32,373	423

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 29,045 million and Baht 423 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 58 years expiring in 2021 to 2045.

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<i>For the year ended 31 December</i>	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land and buildings	3,810	-	133	-
- Equipment	283	-	11	-
- Vehicles	559	-	82	-
Interest on lease liabilities	2,469	148	12	-
Expenses relating to short-term leases	1,633	-	91	-
Expenses relating to leases of low-value assets	34	-	1	-
Variable lease payments based on sales	55	-	-	-
Lease expense	1,722	6,777	92	357
Contingent rent expense	39,634	41,182	462	693

In 2020, total cash outflow for leases of the Group and the Company were Baht 9,173 million and Baht 334 million, respectively.

18 Goodwill

	<i>Note</i>	<i>(Unit: Million Baht)</i>	
		Consolidated	
		financial statements	
		<u>2020</u>	<u>2019</u>
<i>Cost</i>			
At 1 January		89,942	95,943
Acquired through business acquisitions		38	2
Fair value adjustments		(1)	(1)
Disposals from loss control of subsidiary	6	(28,547)	-
Currency translation differences		(766)	(6,002)
At 31 December		<u>60,666</u>	<u>89,942</u>
<i>Impairment loss</i>			
At 1 January		(2,180)	(515)
Impairment loss		(3,921)	(1,665)
At 31 December		<u>(6,101)</u>	<u>(2,180)</u>
<i>Net book value</i>			
At 1 January		<u>87,762</u>	<u>95,428</u>
At 31 December		<u>54,565</u>	<u>87,762</u>

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

In 2020, the Group recognised impairment loss on goodwill of Bellisio Investment, LLC. amounted Baht 2,294 million and Chia Tai Enterprises International Limited amounted Baht 1,627 million.

Impairment testing

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

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

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

Discount rate

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

Terminal growth rate

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

Budgeted future cash flow that the Group expects to receive

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

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19 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements				
	Development cost of software applications	Development cost of products	Customer relationships	Trademarks, rights and others	Total
Cost					
At 1 January 2019	752	1,918	6,958	12,741	22,369
Additions	45	58	-	98	201
Acquired through business acquisitions	-	-	342	-	342
Transfers	24	-	-	(17)	7
Disposals	(32)	-	-	(24)	(56)
Currency translation differences	(29)	(152)	(579)	(936)	(1,696)
At 31 December 2019 and 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	869	1,929	5,393	9,925	18,116
Accumulated amortisation					
1 January 2019	(489)	(260)	(1,220)	(4,188)	(6,157)
Amortisation charge for the year	(58)	(124)	(475)	(476)	(1,133)
Transfers	-	-	-	1	1
Disposals	32	-	-	4	36
Currency translation differences	22	25	109	335	491
At 31 December 2019 and 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	(561)	(479)	(1,584)	(2,349)	(4,973)
Net book value					
At 31 December 2019	267	1,465	5,135	7,538	14,405
At 31 December 2020	308	1,450	3,809	7,576	13,143

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(Unit: Million Baht)

Separate financial statements			
	Development cost of software applications	Others	Total
Cost			
At 1 January 2019	7	106	113
Additions	-	3	3
Transfer	-	1	1
Disposals	-	(4)	(4)
At 31 December 2019 and 1 January 2020	7	106	113
Transfer	-	2	2
At 31 December 2020	7	108	115
Accumulated amortisation			
At 1 January 2019	(6)	(74)	(80)
Amortisation charge for the year	-	(7)	(7)
Disposals	-	2	2
At 31 December 2019 and 1 January 2020	(6)	(79)	(85)
Amortisation charge for the year	-	(6)	(6)
At 31 December 2020	(6)	(85)	(91)
Net book value			
At 31 December 2019	1	27	28
At 31 December 2020	1	23	24

The gross amount of the Group's and the Company's fully amortised intangible assets that were still in use as at 31 December 2020 amounted to Baht 1,071 million in the consolidated statement of financial position, and Baht 53 million in the separate statement of financial position (2019: Baht 957 million and Baht 44 million, respectively).

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20 Interest-bearing liabilities

			(Unit: Million Baht)		
		Consolidated	Separate		
		financial statements	financial statements		
Note		2020	2019	2020	2019
Current					
	Bank overdrafts and short-term borrowings from financial institutions	63,846	72,204	5,400	2,853
	Bills of exchange	38,754	21,818	18,158	16,339
7	Short-term borrowing from subsidiaries	-	-	13,251	6,500
7	Short-term borrowings from related parties	423	657	-	-
	Total	103,023	94,679	36,809	25,692
Current portion of long-term debts					
	Long-term borrowings from financial institutions	13,692	21,144	-	260
	Debentures	20,450	21,260	8,500	16,260
	Exchangeable bond	2,885	-	-	-
	Liabilities under finance leases	4,173	324	217	-
	Total	41,200	42,728	8,717	16,520
	Total current	144,223	137,407	45,526	42,212
Non-current					
	Long-term borrowings from financial institutions	79,178	58,634	2,858	2,968
	Debentures	156,790	132,592	92,740	76,240
	Exchangeable bond	8,228	2,797	-	-
	Liabilities under finance leases	27,692	2,472	186	-
	Total non-current	271,888	196,495	95,784	79,208
	Grand total	416,111	333,902	141,310	121,420

Long-term borrowings from financial institutions

As at 31 December 2020, certain foreign subsidiaries had secured long-term borrowings totalling Baht 15,857 million (2019: Baht 14,590 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 11,156 million (2019: Baht 13,558 million), current and non-current assets mainly comprising of leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 6,339 million (2019: Baht 4,641 million), ordinary shares of a foreign subsidiary of 4,548 million (2019: Baht 4,169 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 2,210 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2026.

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

C.P. Pokphand Co., Ltd. (“CPP”)

CPP, a 52.24% owned subsidiary of the Group, entered into a long-term loan agreement with various financial institutions (“the agreement”) amounting to U.S. Dollar 600 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2021.

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

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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	(Unit: Million Baht)			
				Consolidated financial statements	Separate financial statements	2020	2019
				2020	2019	2020	2019
Charoen Pokphand Foods Public Company Limited (the “Company”)							
1/2011 ⁽¹⁾	4.87 - 5.42	10 - 30	2021 - 2041	7,000	7,000	7,000	7,000
2/2011 ⁽¹⁾	5.42	30	2041	6,000	6,000	6,000	6,000
2/2012	4.40 - 6.00	10 - 20	2022 - 2032	9,000	9,000	9,000	9,000
2/2013	4.90	8	2021	5,500	5,500	5,500	5,500
1/2015	3.21 - 3.98	5 - 8	2020 - 2023	5,500	12,000	5,500	12,000
2/2015	3.97 - 4.51	8 - 12	2023 - 2027	6,940	6,940	6,940	6,940
1/2016	2.28 - 3.73	4 - 15	2020 - 2031	6,000	9,060	6,000	9,060
1/2018	3.05 - 3.60	7 - 10	2025 - 2028	12,000	12,000	12,000	12,000
2/2018	2.74 - 4.66	2 - 12	2020 - 2024	18,300	25,000	18,300	25,000
1/2020	3.00 - 4.00	4 - 15	2024 - 2035	25,000	-	25,000	-
Total				101,240	92,500	101,240	92,500
CPF (Thailand) Public Company Limited (“CPFTH”)							
1/2016	3.10 - 4.15	5 - 12	2021 - 2028	16,000	16,000	-	-
2/2016	2.51 - 3.95	7 - 15	2020 - 2031	8,000	13,000	-	-
1/2018	2.43 - 4.43	3 - 15	2021 - 2033	15,000	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	-	-	-
Total				76,000	61,000	-	-
Chia Tai Investment Co., Ltd. (“CTI”)							
				-	352	-	-
Grand Total				177,240	153,852	101,240	92,500
Less current portion				(20,450)	(21,260)	(8,500)	(16,260)
Net				156,790	132,592	92,740	76,240

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

The debentures of Company and CPFTH were registered with the Thai Bond Market Association. The debentures of Company has a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 8 December 2020 and the debentures of CPFTH had a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 10 June 2020.

In this regard, 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 financial statements		Separate financial statements	
	2020	2019	2020	2019
C.P. Foods Holdings Limited (“CPFH”)	2,885	2,797	-	-
C.P. Foods Capital Limited (“CPFC”)	8,228	-	-	-
Total	11,113	2,797	-	-
<i>Less current portion</i>	<i>(2,885)</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net	8,228	2,797	-	-

C.P. Foods Holdings Limited (“CPFH”)

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

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

As at 31 December 2020, the carrying amount of the EBs after derecognition were U.S. Dollar 96 million or equivalent to Baht 2,885 million (2019: U.S. Dollar 94 million or equivalent to Baht 2,797 million).

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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 with the exchange ratio as specified in the condition of the EBs. 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 2020, the carrying amount of the EBs were U.S. Dollar 274 million or equivalent to Baht 8,228 million. The EBs are recognised as Convertible Bonds in the consolidated financial statements.

21 Treasury shares

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	31	31	31	31
	December	December	December	December
	2020	2019	2020	2019
Ordinary shares of the Company				
At 1 January	-	-	-	-
Addition	6,088	-	6,088	-
Total	6,088	-	6,088	-
Ordinary shares of the Company				
held by subsidiaries	2,909	2,909	-	-
Total	8,997	2,909	6,088	-

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On 13 March 2020, 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 1 April 2020 to 30 September 2020. The Board of Directors shall determine the share resale procedures after 6 months from the completion date of share repurchase. However, the last date to resale such repurchase shares shall not be later than 30 September 2023.

As at 31 December 2020, the Company had repurchased its 198 million treasury shares amounting Baht 6,088 million.

22 Accounts payable - trade and others

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Related parties	7	11,886	5,590	199	250
Other parties		20,426	26,594	934	919
Total		<u>32,312</u>	<u>32,184</u>	<u>1,133</u>	<u>1,169</u>

23 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:

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Present value of funded - defined benefit obligations		549	543	-	-
Fair value of plan assets		(328)	(331)	-	-
		<u>221</u>	<u>212</u>	<u>-</u>	<u>-</u>
Present value of unfunded - defined benefit obligations		10,332	9,384	2,977	2,726
Total		<u>10,553</u>	<u>9,596</u>	<u>2,977</u>	<u>2,726</u>

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

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Defined benefit obligations at				
1 January	9,927	6,290	2,726	1,689
Benefits paid by the plans	(669)	(394)	(171)	(262)
Current service costs and interest	863	825	226	205
Past service costs	-	2,126	-	680
Defined benefit plan actuarial losses	752	1,160	196	414
Others	8	(80)	-	-
Defined benefit obligations at 31 December	10,881	9,927	2,977	2,726
Fair value of plan assets at 1 January	331	324	-	-
Expected return on plan assets	2	2	-	-
Defined benefit plan actuarial gains	11	12	-	-
Contributions paid	24	23	-	-
Benefits paid by the plans	(64)	(11)	-	-
Currency translation differences	24	(19)	-	-
Fair value of plan assets at 31 December	328	331	-	-

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

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current service costs	575	606	149	144
Interest costs	288	219	77	61
Past service costs	-	2,126	-	680
Expected return on plan assets	(2)	(2)	-	-
Total	861	2,949	226	885

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

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Included in retained earnings:				
At 1 January	(832)	247	(103)	228
Recognised during the year	(570)	(1,079)	(157)	(331)
At 31 December	(1,402)	(832)	(260)	(103)

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Principal actuarial assumptions at 31 December were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	0.30 - 13.00	0.65 - 13.50	1.28	2.50
Future salary increases	2.00 - 8.50	2.00 - 9.00	3.00 - 6.50	3.00 - 6.50

(Unit: %)

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

As at 31 December 2020, the weighted-average duration of the defined benefit obligation was 9 years (2019: 9 years).

Sensitivity analysis

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

	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 2020				
Discount rate (1% movement)	(820)	956	(238)	277
Future salary change (1% movement)	909	(801)	264	(232)
Defined benefit obligation as at 31 December 2019				
Discount rate (1% movement)	(683)	794	(201)	233
Future salary change (1% movement)	760	(671)	222	(196)

(Unit: Million Baht)

24 Additional paid-in capital and reserves

Premium on ordinary shares

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

Equity in subsidiaries and associates

Equity in subsidiaries and associates consist of:

- 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.

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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.

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

2020

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.

2019

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

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.

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Appropriate of profit and/or retained earnings

Legal reserve

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

As at 31 December 2020, the legal reserve was Baht 929 million (2019: Baht 929 million).

25 Subordinated perpetual debentures

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

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

During the year 2020, the Company paid interest to the Debentures holders amount of Baht 752 million (2019: Baht 750 million). The interest expense of Baht 752 million (2019: the interest expense net of income tax of Baht 701 million) was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2020.

As at 31 December 2020, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 249 million (2019: Baht 249 million).

As at 31 December 2020, 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 2019 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 2020, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities of the Group and the Company will increase by Baht 15,000 million and total shareholders’ equity will decrease by Baht 15,000 million.

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26 Segment information and disaggregation of revenue

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

Information about reportable segments

The Group comprises the following main segments:

Segment 1 : Livestock business
Segment 2 : Aquaculture business

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

	<i>(Unit: Million Baht)</i>					
	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2020	2019	2020	2019	2020	2019
Statements of income						
Revenue from sale of goods	516,494	457,937	73,219	74,636	589,713	532,573
Operating profit	49,068	25,145	5,092	5,092	54,160	30,237
Central income, net					7,503	4,209
Finance costs					(16,818)	(13,785)
Net foreign exchange gains (losses)					994	(10)
Share of profit of associates and joint ventures					9,254	8,893
Income tax expense					(11,001)	(5,446)
Profit for the year					44,092	24,098
Assets						
Property, plant and equipment, right-of-use assets and intangible assets (excluded goodwill), net	207,277	188,630	36,836	30,431	244,113	219,061
Central assets, net					1,541	1,295
Other assets					516,065	413,695
Total					761,719	634,051

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Information about geographical areas

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The Group comprises the following main information about geographical areas:

- Area 1 : Thailand
- Area 2 : Asia
- Area 3 : Europe
- Area 4 : America
- Area 5 : Others

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December and for the years then ended were as follows:

		<i>(Unit: Million Baht)</i>	
		Consolidated financial statements	
		Revenue from external customers	Property, plant and equipment, right-of- use assets and intangible assets (excluded goodwill) and central assets
		2020	2019
Thailand	151,429	143,910	101,156
Asia	359,893	307,537	109,758
Europe	51,643	55,484	16,892
America	25,631	24,431	17,848
Others	1,117	1,211	-
Total	589,713	532,573	245,654

Information about major customer

During the year 2020 and 2019, there were no single external customer that contributed 10% or more of the Group's total revenue.

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Disaggregation of revenue

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

(Unit: Million Baht)

	Consolidated financial statements					
	Livestock business		Reportable segments Aquaculture business		Total	
	2020	2019	2020	2019	2020	2019
Categories of main products						
Animal feed	176,078	154,592	42,113	45,275	218,191	199,867
Animal farm products	250,735	213,481	23,956	22,460	274,691	235,941
Processed foods and ready meals	89,681	89,864	7,150	6,901	96,831	96,765
Total	516,494	457,937	73,219	74,636	589,713	532,573

(Unit: Million Baht)

	Separate financial statements	
	Reportable segment Aquaculture business	
	2020	2019
Categories of main products		
Animal feed	12,530	13,290
Animal farm products	10,450	8,811
Processed foods and ready meals	2,541	2,361
Total	25,521	24,462

Contract Balances

As at 31 December 2020, the Group and the Company had contract liabilities of Baht 896 million and Baht 38 million, respectively (*31 December 2019: Baht 2,825 million and Baht 21 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 2020.

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Promotional privileges

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

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

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

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

(Unit: Million Baht)

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2020	2019	2020	2019	2020	2019
Local sales	6,043	7,354	16,081	13,787	22,124	21,141
Export sales	247	179	3,150	3,142	3,397	3,321
Total revenue from sale of goods	6,290	7,533	19,231	16,929	25,521	24,462

27 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- (a) Management benefit expenses consisted of salaries and other benefit expenses of management, directors' remuneration, and sub-committees' remuneration totalling Baht 1,582 million and Baht 210 million in the consolidated and separate statements of income for the year ended 31 December 2020, respectively (*2019: Baht 1,384 million and Baht 184 million, respectively*).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 60,053 million and Baht 5,888 million in the consolidated and separate statements of income for the year ended 31 December 2020, respectively (*2019: Baht 58,934 million and Baht 6,745 million, respectively*).

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28 Expenses by nature

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
Changes in finished goods, work in progress and biological assets	114	(3,288)	(171)	281
Raw materials and consumables used	370,745	348,976	13,275	12,468
Employee benefit expenses	61,654	60,318	6,097	6,929
Factory and office expenses	45,526	43,696	4,100	4,182
Depreciation and amortisation	22,312	16,939	1,639	1,487
Transportation expenses	12,926	12,716	490	510
Advertising, public relationship and sale promotion expenses	3,665	3,243	107	94
Vehicle and traveling expenses	3,577	3,964	138	232
Taxes, government and bank fees	2,254	2,191	40	42
Lease-related expenses (2019: Building and equipment rental fees)	1,721	6,777	92	357
Others	15,640	15,556	304	633
Total cost of sales of goods, distribution costs and administrative expenses	540,134	511,088	26,111	27,215

29 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
Current tax				
Current year	10,462	6,227	92	-
Under (over) provided in prior years	668	(570)	-	-
	11,130	5,657	92	-
Deferred tax				
Movements in temporary differences	(995)	(606)	(1)	(134)
Movements in tax losses	866	395	262	891
	(129)	(211)	261	757
Income tax expense	11,001	5,446	353	757

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Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2020			2019		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	14,866	(2,574)	12,292	178	(10)	168
Fair value changes on investments	(640)	60	(580)	(91)	(24)	(115)
Currency translation differences	1,707	67	1,774	(13,301)	328	(12,973)
Defined benefit plan actuarial losses	(728)	150	(578)	(1,308)	229	(1,079)
Cash flow hedges reserve	(748)	52	(696)	-	-	-
Total	14,457	(2,245)	12,212	(14,522)	523	(13,999)

(Unit: Million Baht)

	Separate financial statements					
	2020			2019		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	2,837	(567)	2,270	-	-	-
Defined benefit plan actuarial losses	(197)	39	(158)	(414)	83	(331)
Cash flow hedges reserve	(42)	8	(34)	-	-	-
Total	2,598	(520)	2,078	(414)	83	(331)

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Income tax recognised in shareholders' equity

(Unit: Million Baht)

Consolidated financial statements					
2020			2019		
Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Interest paid on subordinated perpetual debentures					
752	-	752	751	(50)	701

(Unit: Million Baht)

Separate financial statements					
2020			2019		
Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Interest paid on subordinated perpetual debentures					
752	-	752	751	(50)	701

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Reconciliation of effective tax rate

(Unit: Million Baht)

	Consolidated financial statements				
Applicable tax rates	0%	10%	20%	Others	Total
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
2019					
Accounting profit before income tax, total	1,953	1,332	14,776	11,483	29,544
Tax at the applicable tax rates	-	133	2,955	2,201	5,289
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	366	(677)	1,038	727
Under (over) provided in prior years	-	-	5	(575)	(570)
Total	-	499	2,283	2,664	5,446

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Reconciliation of effective tax rate

	(Unit: Million Baht)		
	Separate financial statements		
Applicable tax rates	0%	20%	Total
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
2019			
Accounting profit (loss) before income tax, total	(70)	7,055	6,985
Tax at the applicable tax rates	-	1,411	1,411
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(654)	(654)
Total	-	757	757

Deferred income tax

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	2,948	3,156	91	956
Deferred tax liabilities	(8,962)	(7,882)	-	-
Net deferred tax assets (liabilities)	(6,014)	(4,726)	91	956

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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 31 December 2019 as reported	Effect from change in accounting policy	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)	-	(1,599)	41	-	-	-	(5)	(1,563)
Investments	(187)	(283)	(470)	48	60	-	47	(6)	(321)
Derivatives	-	153	153	10	52	-	-	(11)	204
Tax losses	4,475	-	4,475	(866)	-	153	(124)	(88)	3,550
Other intangible assets	(2,864)	-	(2,864)	330	-	-	-	(353)	(2,887)
Property, plant and equipment	(6,137)	-	(6,137)	(181)	(2,574)	(240)	874	300	(7,958)
Right-of-use assets	-	(1,900)	(1,900)	(1,064)	-	(70)	210	(20)	(2,844)
Leasehold rights	-	2,346	2,346	1,217	-	74	(206)	(9)	3,422
Provisions for employee benefits	1,379	-	1,379	82	150	-	-	(5)	1,606
Others	207	22	229	512	-	6	85	(55)	777
Total	(4,726)	338	(4,388)	129	(2,312)	(77)	886	(252)	(6,014)

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

(Unit: Million Baht)

Consolidated financial statements						
At 1 January 2019	Charged/Credited to			Acquired in business combination	Currency translation differences	At 31 December 2019
	Profit or loss	Other comprehensive income	Shareholders' equity			
(1,148)	(512)	-	-	-	61	(1,599)
(170)	-	(24)	-	-	7	(187)
5,014	(395)	-	-	-	(143)	4,476
(3,187)	188	-	-	(85)	220	(2,864)
(6,499)	(58)	(10)	-	-	429	(6,138)
733	431	229	-	-	(14)	1,379
(404)	557	-	50	-	4	207
(5,661)	211	195	50	(85)	564	(4,726)

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

(Unit: Million Baht)

	At 31 December 2019 as reported	Effect from change in accounting policy	Separate financial statements			At 31 December 2020
			At 1 January 2020	Charged/Credited to	Other comprehensive income	
				Profit or loss		
Deferred tax assets (liabilities)						
Investments	29	(103)	(74)	-	-	(74)
Derivatives	-	15	15	-	8	23
Land	(705)	-	(705)	-	(567)	(1,272)
Right-of-use assets	-	(85)	(85)	-	-	(85)
Leasehold rights	-	80	80	1	-	81
Provisions for employee benefits	501	-	501	12	39	552
Tax losses	1,140	-	1,140	(262)	-	878
Others	(9)	9	-	(12)	-	(12)
Total	956	(84)	872	(261)	(520)	91

As at 31 December 2020, the Group and the Company had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the statement of financial position totalling Baht 11,336 million (2019: Baht 11,668 million) and Baht 1,594 million (2019: Baht 1,581), 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 2019 were as follows:

(Unit: Million Baht)

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

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30 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 financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the year attributable to ordinary shareholders of the Company	26,022	18,456	8,724	6,228
<i>Less: cumulative interest expense for the year net of income tax on subordinated perpetual debentures</i>	<i>(602)</i>	<i>(600)</i>	<i>(602)</i>	<i>(600)</i>
Profit used in calculation of earnings per share (basic)	25,420	17,856	8,122	5,628
Interest expense on convertible bonds, net of tax	130	-	-	-
Profit used in calculation of earnings per share (diluted)	25,550	17,856	8,122	5,628
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	(426)	(426)	-	-
Effect of own shares held	(80)	-	(80)	-
Number of ordinary shares outstanding (basic) at the end of period	8,105	8,185	8,531	8,611
Effect of conversion of convertible bonds	125	-	125	-
Number of ordinary shares outstanding (diluted) at the end of period	8,230	8,185	8,656	8,611
Basic earnings per share (in Baht)	3.14	2.18	0.95	0.65
Diluted earnings per share (in Baht)	3.10	2.18	0.94	0.65

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31 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
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	
2019				
24 April 2019	0.30	8,611,242,385	2,583	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
13 August 2019	0.30	8,611,242,385	2,583	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			5,166	

32 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				
	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
Derivative assets		155	-	-	155	-	155	-	155
Total financial assets		155	11,421	-	11,576				
Financial liabilities									
Long-term borrowings									
-Debentures	20	-	-	177,240	177,240	-	185,646	-	185,646
-Exchangeable bonds	20	-	-	2,885	2,885	-	2,827	-	2,827
-Convertible bonds	20	-	-	8,228	8,228	-	8,252	-	8,252
Derivative liabilities		2,190	-	-	2,190	-	2,190	-	2,190
Total financial liabilities		2,190	-	188,353	190,543				

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(Unit: Million Baht)

		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 2020									
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	663	-	663	-	-	663	663
Derivative assets		11	-	-	11	-	11	-	11
Total financial assets		11	663	-	674				
Financial liabilities									
Long-term borrowings									
-Debentures	20	-	-	101,240	101,240	-	107,305	-	107,305
Derivative liabilities		309	-	-	309	-	309	-	309
Total financial liabilities		309	-	101,240	101,549				

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(Unit: Million Baht)

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2019					
Financial assets					
Forward exchange contracts	621	-	509	-	509
Cross currency and interest rate swaps	15	-	566	-	566
Financial liabilities					
Forward exchange contract	3	-	65	-	65
Cross currency and interest rate swaps	221	-	377	-	377
Debentures	153,852	-	164,899	-	164,899
Exchangeable bonds	2,797	-	2,941	-	2,941

(Unit: Million Baht)

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2019					
Financial assets					
Forward exchange contracts	29	-	9	-	9
Financial liabilities					
Cross currency and interest rate swaps	105	-	207	-	207
Debentures	92,500	-	100,447	-	100,447

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.
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.

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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-marketable of the equity securities.	Adjusted multiple (1.0 - 1.6 for 31 December 2020 and 1 January 2020).	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).

Reconciliation of Level 3 fair values

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Investment in non-marketable equity securities				
At 31 December - as reported	1,444	1,505	150	150
Impact of changes in accounting policies	7,360	-	513	-
At 1 January - restated	8,804	1,505	663	-
Currency translation differences	65	(61)	-	-
At 31 December	8,869	1,444	663	150

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(b) Movement of marketable equity securities

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Marketable equity securities				
Current financial assets				
Equity securities measured at FVOCI				
At 1 January	3,880	-	-	-
Fair value adjustment	(860)	-	-	-
Disposal of equity securities held under a loss of control entity	(512)	-	-	-
Currency translation differences	44	-	-	-
At 31 December	2,552	-	-	-
Investments held as available-for-sale securities				
At 1 January	-	4,262	-	-
Fair value adjustment	-	(143)	-	-
Currency translation differences	-	(239)	-	-
At 31 December	-	3,880	-	-

(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.

(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

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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 26.

Information about the exposure to credit risk and ECLs for accounts receivables trade and others as at 31 December 2020 were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Total carrying amounts	Allowance for impairment losses	Total carrying amounts	Allowance for impairment losses
At 31 December 2020				
Within credit terms	24,172	318	1,553	-
Overdue 1 - 60 days	4,282	12	386	-
Overdue 60 - 120 days	666	17	124	-
More than 120 days	1,842	663	598	77
Total	30,962	1,010	2,661	77
Less allowance for impairment losses	(1,010)		(77)	
Net	29,952		2,584	

The outstanding balances of the allowance for impairment losses of account receivable - trade and others classified by aging were as follow:

	<i>(Unit: Million Baht)</i> Consolidated financial statements		Separate financial statements	
At 31 December 2019				
Periods over credit terms:				
Over 3 months to 6 months		42		-
Over 6 months to 12 months		96		-
Over 12 months		904		5
Total		1,042		5

(c.1.2) Guarantees

At 31 December 2020, the Group had commitments under the letters of guarantee for financial guarantees for government agencies, financial institutions and others (see note 34.4).

(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.

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

<i>(Unit: Million Baht)</i>					
Consolidated financial statements					
	Average interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Long-term loans to associate	2.81	-	49	-	49
Total		-	49	-	49
2019					
Short-term loans to joint ventures	4.74	188	-	-	188
Long-term loans to associate	3.51	-	29	-	29
Total		188	29	-	217
<i>(Unit: Million Baht)</i>					
Separate financial statements					
	Interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Short-term loans to subsidiaries	5.88	20,024	-	-	20,024
Long-term loans to subsidiaries	5.00	-	570	-	570
Total		20,024	570	-	20,594
2019					
Short-term loans to subsidiaries	6.88	43,075	-	-	43,075
Long-term loans to subsidiaries	4.85 - 7.50	-	600	-	600
Total		43,075	600	-	43,675

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

		(Unit: Million Baht)			
		Consolidated financial statements			
	Average interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Bank overdrafts and short-term borrowings from financial institutions	0.96 - 6.35	63,846	-	-	63,846
Bills of exchange	1.65 - 1.67	38,754	-	-	38,754
Short-term borrowings from related parties	4.18 - 6.50	423	-	-	423
Long-term borrowings from financial institutions	0.96 - 11.00	13,692	76,448	2,730	92,870
Debentures	2.84 - 4.89	23,335	81,456	83,562	188,353
Lease liabilities	1.17 - 20.06	4,173	11,871	15,821	31,865
Total		144,223	169,775	102,113	416,111
Derivative liabilities		670	1,520	-	2,190
		670	1,520	-	2,190
2019					
Bank overdrafts and short-term borrowings from financial institutions	1.12 - 7.83	72,204	-	-	72,204
Bills of exchange	1.80 - 1.99	21,818	-	-	21,818
Short-term borrowings from joint ventures	2.00	657	-	-	657
Long-term borrowings from financial institutions	1.28 - 11.00	21,144	57,072	1,562	79,778
Debentures	2.84 - 4.27	21,260	61,789	73,600	156,649
Lease liabilities	1.32 - 16.72	324	720	1,752	2,796
Total		137,407	119,581	76,914	333,902

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

		(Unit: Million Baht)			
		Separate financial statements			
	Interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Short-term borrowings from financial institutions	0.90 - 2.90	5,400	-	-	5,400
Bills of exchange	1.04 - 2.35	18,158	-	-	18,158
Short-term borrowing from subsidiary	2.00 - 3.90	13,251	-	-	13,251
Long-term borrowings from financial institutions	3.91	-	2,858	-	2,858
Debentures	2.28 - 5.42	8,500	44,333	48,407	101,240
Lease liabilities	3.04	217	186	-	403
Total		45,526	47,377	48,407	141,310
Derivative liabilities					
		60	249	-	309
		60	249	-	309
2019					
Bank overdrafts and short-term borrowings from financial institutions	1.65 - 1.75	2,853	-	-	2,853
Bills of exchange	1.61 - 2.27	16,339	-	-	16,339
Short-term borrowing from subsidiary	3.81 - 3.90	6,500	-	-	6,500
Long-term borrowings from financial institutions	4.01 - 4.81	260	2,968	-	3,228
Debentures	2.28 - 5.42	16,260	33,240	43,000	92,500
Total		42,212	36,208	43,000	121,420

(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.

(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.

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

		Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
	Foreign currency	2020	2019	2020	2019
Accounts receivable - trade and others					
Foreign currencies	Won	137	453	-	-
	Renminbi	579	373	579	373
	United States Dollar	839	1,281	228	205
	Euro	345	402	-	19
	Pound Sterling	-	10	46	21
Forward exchange contracts	Won	137	453	-	-
	Renminbi	579	373	579	373
	United States Dollar	678	981	228	205
	Euro	-	-	-	19
	Pound Sterling	-	-	46	21
Interest-bearing liabilities					
Foreign currencies	United States Dollar	7,518	11,886	3,464	3,228
	Euro	309	149	-	-
Forwards exchange contracts and cross currency and interest rate swaps	United States Dollar	6,109	11,132	3,464	3,228
	Euro	165	95	-	-
Accounts payable - trade and others					
Foreign currencies	United States Dollar	1,730	2,972	1	6
	Euro	997	501	-	-
	Renminbi	7	13	-	-
Forward exchange contracts	United States Dollar	444	3,002	1	6
	Euro	15	100	-	-
	Renminbi	7	9	-	-
Forecast sales					
Forward exchange contracts	Won	211	57	-	-
	United States Dollar	4,341	3,041	237	131
	Pound Sterling	121	1,206	32	78
	Euro	386	296	-	-
	Renminbi	206	30	206	27
Forecast purchases					
Foreign currencies	Euro	18	683	-	-
	United States Dollar	13	60	-	2
Forward exchange contracts	United States Dollar	5,011	3,399	-	-

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar at 31 December 2020 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					
<i>At 31 December 2020</i>	Movement	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
	(%)				
United States					
Dollar	1	294	(294)	(39)	39

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

(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 and interest rate swap contract

As at 31 December 2020, the Group had cross currency and interest rate swap agreements with the financial institutions to manage exposure of fluctuations in foreign exchange rates and interest rates as follows:

1) The Company had cross currency and interest rate swap agreements with certain financial institutions for long-term borrowing totaling U.S. Dollar 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 and interest rate swap agreements with a financial institution for long-term borrowings totalling 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.

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3) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling Euro 4 million. The subsidiary has commitments to make payments for the fixed interest rate in Indian Rupee and the counterparty has commitments to make payments in Euro for the fixed interest rate.

4) A subsidiary had several cross currency and interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 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.

(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. The Group held the following financial instruments to hedge exposures to changes in foreign currency and interest rates. 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.

At 31 December 2020, the Group and the Company had the cash flow hedge reserve presented in other comprehensive income comprising financial instruments as follows

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	Total carrying amounts	Cash flow hedge reserve	Total carrying amounts	Cash flow hedge reserve
Financial assets	4,623	34	934	4
Financial liabilities	44,457	(1,470)	3,464	(96)
Total		(1,436)		(92)

33 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.

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34 Commitments with non-related parties

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

34.1 Capital commitments

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,112	5,211	-	-
Machinery, equipment and others	2,485	4,376	275	546
Total	5,597	9,587	275	546

34.2 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 2020 totalled Baht 18 million (2019: Baht 14 million).

34.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 2,051 million (2019: Baht 2,065 million).

34.4 Letters of guarantee

- (a) The Company and certain subsidiaries had commitments with financial institutions for letters of guarantee issued by the financial institutions in favour of government agencies and others totalling Baht 16 million and Baht 2,490 million, respectively (2019: Baht 16 million and Baht 9,192 million, respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sale of goods.
- (b) Certain foreign subsidiaries have commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 305 million (2019: Baht 314 million).

34.5 Sponsor Undertaking

The Company has provided sponsor undertaking for the Exchangeable bond which was issued by a subsidiary, as disclosed in note 20.

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35 Events after the reporting period

- 35.1 As disclosed in note 5 to the financial statements, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from COVID-19 pandemic. The guidance expired on 31 December 2020.

However, the COVID-19 pandemic continued subsequent to the expiration of the guidance. It is still not possible to predict when the spread will be over. As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, and government measures on the business of the Group.

- 35.2 On 22 January 2021, the Company issued Baht 30,000 million unsubordinated and unsecured debentures No. 1/2021 in registered name and with debenture holder representative, a term of 2-12 years and bearing interest at the fixed rate of 1.75% - 3.80% per annum.

The debentures had credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 December 2020 and were registered with the Thai Bond Market Association on 22 January 2021.