

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the interim financial statements
3	Changes in accounting policies
4	Impact of COVID-19 outbreak
5	Related party transactions
6	Investments in subsidiaries
7	Investments in associates
8	Investments in joint ventures
9	Property, plant and equipment
10	Leases
11	Treasury shares
12	Subordinated perpetual debentures
13	Segment information and disaggregation of revenue
14	Basic earnings (loss) per share
15	Financial instruments
16	Commitments with non-related parties
17	Guarantees
18	Others
19	Event after the reporting period

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the executive directors on 13 May 2020.

## **1 General information**

Charoen Pokphand Foods Public Company Limited, the “Company”, is incorporated in Thailand.

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

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

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

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

Details of the Company’s subsidiaries as at 31 March 2020 and 31 December 2019 only those with changes during the three-month period ended 31 March 2020 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2020	31 December 2019
<i>Newly incorporated indirect subsidiaries</i>				
1) CP Foods Trading LLC <sup>(1)</sup>	Importer and exporter of meat products	Russia	100.00	-
2) Dongying Chia Tai Aqua Co., Ltd. <sup>(2)</sup>	Production and sale of animal feed	China	52.24	-
<i>Subsidiaries with change in interests</i>				
<i>Indirect subsidiaries</i>				
1) Lianyungang Chia Tai Agro-industry Development Co., Ltd. <sup>(2)</sup>	Production and sale of animal feed	China	36.57	27.30
2) PetRepublic Ltd. <sup>(3)</sup>	Production and sale of pet food	Poland	60.00	66.67
3) Sheng Da Foods Co., Ltd. <sup>(4)</sup>	Layer chicken business	Taiwan	14.92	19.89

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

- <sup>(1)</sup> A subsidiary of Stesha LLC
- <sup>(2)</sup> A subsidiary of C.P. Pokphand Co., Ltd.
- <sup>(3)</sup> A subsidiary of CPF Poland S.A.
- <sup>(4)</sup> A subsidiary of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

During the three-month period ended 31 March 2020, the Group did not dispose any investments in subsidiaries.

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

### **2.1 Statement of compliance**

The interim financial statements presented in the same format as the annual financial statements. The notes to the interim financial statements are presented on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (“TAS”) No. 34 *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

The Group has initially applied Thai Financial Reporting Standards (“TFRS”) - Financial instruments standards, comprising TAS 32 *Financial Instruments: Presentation*, TFRS 7 *Financial Instruments: Disclosures*, TFRS 9 *Financial Instruments*, Thai Financial Reporting Interpretations Committee (“TFRIC”) 16 *Hedges of a Net Investment in a Foreign Operation* and TFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (collectively referred to as “Financial instruments standards”), and TFRS 16 *Leases* and disclosed impact from changes in accounting policies in note 3.

### **2.2 Use of judgements, estimates and accounting policies**

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as described in note 3 and 4, respectively.

## **3 Changes in accounting policies**

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 follows:

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	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 and measurement of financial instruments	-	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
<b>At 1 January 2020 - restated</b>	<b>101,404</b>	<b>(15,307)</b>	<b>53,255</b>	<b>3,174</b>

**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 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 to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 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.

Under TFRS 9, derivatives are measured at FVTPL. Where the Group applies a hedge accounting, which is appropriate based upon the specific criteria in accordance with the requirements of TFRS, the impact of recording the derivatives is offset to the extent that the hedging relationship is effective, the portion of the gain or loss on the cash flow hedging instrument that is determined to be an effective hedge shall be recognised within other comprehensive income by presenting in a separate item and is reclassified to profit or loss when hedged items affects profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Previously, the Group recognised gain or loss on remeasurement of the derivatives depending on the nature of the item being hedged.

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

The following table shows classification and measurement under TFRS 9 of each class of the Group's financial assets and financial liabilities at 1 January 2020.

(Unit: Million Baht)

<b>Consolidated financial statements</b>			
Classification and measurement under TFRS 9 at 1 January 2020			
	Fair value - applied hedge accounting	Fair value through other comprehensive income	Amortised cost - net
<b>Financial assets</b>			
Cash and cash equivalents	-	-	32,094
Current investments	-	-	1,402
Accounts receivable - trade and others	-	-	32,996
Short-term loans to joint ventures	-	-	188
Accrued dividend income	-	-	165
Other current assets	-	-	4,796
Investments in equity securities measured at fair value through other comprehensive income	-	12,685	-
Long-term loan to associate	-	-	29
Restricted deposits at financial institutions	-	-	865
Derivative assets	59	-	-
<b>Total</b>	<b>59</b>	<b>12,685</b>	<b>72,535</b>
<b>Financial liabilities</b>			
Bank overdrafts and short-term borrowings from financial institutions	-	-	72,204
Bills of exchange	-	-	21,818
Accounts payable - trade and others	-	-	32,188
Short-term borrowing from joint venture	-	-	657
Accrued expenses	-	-	13,001
Other current liabilities	-	-	13,527
Long-term liabilities	-	-	239,001
Derivative liabilities	1,118	-	-
<b>Total</b>	<b>1,118</b>	<b>-</b>	<b>392,396</b>

(Unit: Million Baht)

<b>Separate financial statements</b>			
Classification and measurement under TFRS 9 at 1 January 2020			
	Fair value - applied hedge accounting	Fair value through other comprehensive income	Amortised cost - net
<b>Financial assets</b>			
Cash and cash equivalents	-	-	1,066
Accounts receivable - trade and others	-	-	2,455
Short-term loans to subsidiaries	-	-	43,075
Accrued dividend income	-	-	2,690
Other current assets	-	-	42
Investments in equity securities measured at fair value through other comprehensive income	-	663	-
Long-term loan to subsidiary	-	-	600
Derivative assets	10	-	-
<b>Total</b>	<b>10</b>	<b>663</b>	<b>49,928</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

(Unit: Million Baht)

	<b>Separate financial statements</b>		
	Classification and measurement under TFRS 9 at 1 January 2020		
	Fair value - applied hedge accounting	Fair value through other comprehensive income	Amortised cost - net
<b>Financial liabilities</b>			
Bank overdrafts and short-term borrowings from financial institutions	-	-	2,853
Bills of exchange	-	-	16,339
Accounts payable - trade and others	-	-	1,169
Short-term borrowing from subsidiary	-	-	6,500
Accrued expenses	-	-	150
Other current liabilities	-	-	1,416
Long-term borrowings	-	-	95,623
Derivative liabilities	208	-	-
<b>Total</b>	<b>208</b>	<b>-</b>	<b>124,050</b>

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>	
	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b>Allowance for impairment losses at 31 December 2019</b>		
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
<b>Allowance for impairment losses at 1 January 2020</b>	<b>1,132</b>	<b>47</b>

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

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**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 contract (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, TFRS 16 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 TFRS 16, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense 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>	
	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b><i>Impact from the adoption of TFRS 16</i></b>		
<b><i>At 1 January 2020</i></b>		
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	37,504	423
Increase (decrease) in deferred tax assets	447	(5)
Increase in lease liabilities	28,364	398
Decrease in retained earnings	(2,106)	(5)
Decrease in non-controlling interests	(485)	-
<b><i>Measurement of lease liability</i></b>		
<b><i>At 1 January 2020</i></b>		
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	(12,765)	(236)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	28,364	398
Finance lease liabilities recognised as at 31 December 2019	2,795	-
<b>Lease liabilities recognised at 1 January 2020</b>	<b><u>31,159</u></b>	<b><u>398</u></b>
Weighted-average incremental borrowing rate (% per annum)	6.54	2.49

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

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

**4 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 March 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 as gain/loss 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 March 2020 using fair values at 1 January 2020.

The Group elected to exclude the factor of COVID-19 situation, which may affect future financial forecast, in fair value measurement technique of land. Therefore, the Group used the latest value appraised by professional values during the first quarter of 2020 as fair value.

*(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 March 2020.



**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**5 Related party transactions**

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 9 March 2020.

There were no material changes in the pricing policies during the three-month period ended 31 March 2020.

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

*For the three-month period ended 31 March*

				<i>(Unit: Million Baht)</i>	
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>(a)</b>	<b>Income</b>				
	<b>Subsidiaries</b>				
	Sale of goods	-	-	800	585
	Interest income	-	-	740	1,175
	Rental, service and other income	-	-	1	1
	Dividend income	-	-	-	2,430
	<b>Associates, joint ventures and related companies</b>				
	Sale of goods	17,341	15,172	331	190
	Dividend income	66	67	-	-
	Rental, service and other income	50	42	1	1
	Software application income	17	16	-	-
	Interest income	3	4	-	-
	Training and seminar income	1	1	-	-
	Gain on sale of fixed assets	-	34	-	-
<b>(b)</b>	<b>Expenses and others</b>				
	<b>Significant influence entity</b>				
	Purchase of raw materials and goods	2,527	2,325	615	584
	Trademark license fees	972	334	74	2
	Technical service fees	5	164	-	9
	<b>Subsidiaries</b>				
	Purchase of raw materials and goods	-	-	505	395
	Interest expenses	-	-	61	-
	Software application fees	-	-	37	41
	Rental and service fees	-	-	2	14
	Training and seminar fees	-	-	2	4
	Other expenses	-	-	7	7

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
Notes to the interim financial statements  
For the three-month period ended 31 March 2020 (Unaudited)

*For the three-month period ended 31 March (continued)*

		(Unit: Million Baht)			
		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
<b>(b)</b>	<b><i>Expenses and others (continued)</i></b>				
	<b>Associates, joint ventures and related companies</b>				
	Purchase of raw materials and goods	18,209	15,065	114	128
	Construction costs of buildings, structures and others	619	605	29	22
	Purchase of trademark	349	-	-	-
	Rental and service fees	329	453	28	71
	Purchase of right-of-use assets	248	-	78	-
	Training and seminar fees	247	62	3	9
	Purchase of equipment and others	72	26	5	7
	Trademark license fees	19	17	-	-
	Software application fees	17	14	-	-
	Interest expenses	3	3	-	-
	Other expenses	431	402	24	22

**5.2 Balances with related parties as at 31 March 2020 and 31 December 2019 were as follows:**

**5.2.1 Accounts receivable - trade and others**

		(Unit: Million Baht)			
		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Significant influence entity	1	2	-	-
	Subsidiaries	-	-	410	659
	Associates and joint ventures	4,625	5,182	20	39
	Related companies	7,611	7,371	750	530
	<b>Total</b>	<b>12,237</b>	<b>12,555</b>	<b>1,180</b>	<b>1,228</b>

**5.2.2 Short-term loans**

		(Unit: Million Baht)		
		<b>Consolidated financial statements</b>		
		<b>Outstanding balance</b>		
		31 March 2020	31 December 2019	Average balance
	Joint ventures	85	188	137
	Related company	1	-	-
	<b>Total</b>	<b>86</b>	<b>188</b>	<b>137</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**5.2.2 Short-term loans (continued)**

*(Unit: Million Baht)*

	<b>Separate financial statements</b>		
	Outstanding balance		
	31 March 2020	31 December 2019	Average balance
Subsidiaries	37,558	43,075	41,561
<b>Total</b>	<b>37,558</b>	<b>43,075</b>	<b>41,561</b>

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

**5.2.3 Advance payments for purchase of goods**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Joint venture	52	8	-	-
Related companies	4,056	3,685	-	-
<b>Total</b>	<b>4,108</b>	<b>3,693</b>	<b>-</b>	<b>-</b>

**5.2.4 Accrued dividend income**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Subsidiaries	-	-	2,010	2,690
Associates	137	128	-	-
Related companies	109	37	-	-
<b>Total</b>	<b>246</b>	<b>165</b>	<b>2,010</b>	<b>2,690</b>

**5.2.5 Accrued interest income**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Joint venture	-	1	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**5.2.6 Long-term loans**

	<i>(Unit: Million Baht)</i>		
	<b>Consolidated financial statements</b>		
	Outstanding balance		
	31 March 2020	31 December 2019	Average balance
Associate	41	29	39
<b>Total</b>	<b>41</b>	<b>29</b>	<b>39</b>

  

	<i>(Unit: Million Baht)</i>		
	<b>Separate financial statements</b>		
	Outstanding balance		
	31 March 2020	31 December 2019	Average balance
Subsidiary	570	600	590
<b>Total</b>	<b>570</b>	<b>600</b>	<b>590</b>

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

**5.2.7 Accounts payable - trade and others**

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Significant influence entity	579	429	118	63
Subsidiaries	-	-	78	97
Associates and joint ventures	572	497	4	6
Related companies	6,314	4,664	71	84
<b>Total</b>	<b>7,465</b>	<b>5,590</b>	<b>271</b>	<b>250</b>

**5.2.8 Short-term borrowings**

	<i>(Unit: Million Baht)</i>		
	<b>Consolidated financial statements</b>		
	Outstanding balance		
	31 March 2020	31 December 2019	Average balance
Joint venture	787	657	708
<b>Total</b>	<b>787</b>	<b>657</b>	<b>708</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**5.2.8 Short-term borrowings (continued)**

	<i>(Unit: Million Baht)</i>		
	<b>Separate financial statements</b>		
	<b>Outstanding balance</b>		
	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>Average balance</b>
Subsidiary	5,650	6,500	6,217
<b>Total</b>	<b>5,650</b>	<b>6,500</b>	<b>6,217</b>

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

**5.2.9 Lease liabilities**

	<i>(Unit: Million Baht)</i>		<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Subsidiary	-	-	75	-
Associate	7	-	-	-
Related companies	2,912	-	252	-
<b>Total</b>	<b>2,919</b>	<b>-</b>	<b>327</b>	<b>-</b>

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

Balances of loans/borrowings and interest rates as at 31 March 2020 and 31 December 2019 are summarised as follows:

	<b>Consolidated financial statements</b>					
	<i>(Unit: Million Baht)</i>					
	<b>Balance with fixed interest rate</b>		<b>Balance with floating interest rate</b>		<b>Average interest rate (%)</b>	
	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Short-term loans to joint ventures	85	188	-	-	4.35	4.74
Short-term loan to related company	1	-	-	-	-	-
Long-term loan to associate	41	29	-	-	3.51	3.51
Short-term borrowing from joint venture	787	657	-	-	2.00	2.00

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

	Separate financial statements					
	(Unit: Million Baht)					
	Balance with fixed interest rate		Balance with floating interest rate		Average interest rate (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Short-term loans to subsidiaries	-	-	37,558	43,075	6.50	6.88
Long-term loan to subsidiary	570	600	-	-	5.00	5.00
Short-term borrowing from subsidiary	5,650	6,500	-	-	3.85	3.85

#### 5.4 Key management personnel compensations

Key management personnel compensations consist of:

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	2020	2019	2020	2019
<b><i>For the three-month period ended 31 March</i></b>				
Short-term employee benefits	303	318	46	34
Post-employment under defined benefit plans	6	3	1	1
<b>Total</b>	<b>309</b>	<b>321</b>	<b>47</b>	<b>35</b>
<b><i>At 31 March</i></b>				
Provisions for employee benefits	537	300	94	54
<b>Total</b>	<b>537</b>	<b>300</b>	<b>94</b>	<b>54</b>

#### 5.5 Commitments

As at 31 March 2020 and 31 December 2019, the Group had commitments with related parties as follows:

##### *Capital commitments*

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	998	703	2	7

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**5.6 Significant agreements**

Significant agreements with related parties that had changes during the three-month period ended 31 March 2020 were as follows:

**5.6.1 Agreements for the acquisition of assets**

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

As at 31 March 2020, CTI had partially acquired the assets for total amount of Renminbi 22 million or equivalent to approximately Baht 99 million.

**5.6.2 Agreement for the acquisition of trademark**

During the three-month period ended 31 March 2020, CPF Restaurant and Foodchain Co., Ltd., a 99.99% indirectly owned subsidiary of the Company, entered into an agreement with a related company, Star Marketing Co., Ltd., to acquire a trademark for total consideration of Baht 349 million.

**6 Investments in subsidiaries**

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

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
At 1 January	-	-	191,466	151,976
Acquisitions/additional investments	-	-	29	9,764
Impairment loss	-	-	-	(470)
Classified as non-current asset held for sale	-	-	-	(1,273)
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>191,495</b>	<b>159,997</b>
<b>At 31 December</b>		<b>-</b>		<b>191,466</b>

**Charoen Pokphand Foods Public Company Limited**  
**and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*Details of investments in subsidiaries and dividend income*

Investments in subsidiaries as at 31 March 2020 and 31 December 2019 and dividend income for the three-month period ended 31 March were as follows:

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for three months ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	March 2019
<b>Marketable securities</b>												
C.P. Pokphand Co., Ltd.	4.98	4.98	7,973	7,973	4,691	4,691	-	-	4,691	4,691	-	-
Chia Tai Enterprises International Limited	4.98	4.98	840	840	500	500	-	-	500	500	-	-
<b>Total</b>					<b>5,191</b>	<b>5,191</b>	<b>-</b>	<b>-</b>	<b>5,191</b>	<b>5,191</b>	<b>-</b>	<b>-</b>
<b>Non-marketable securities</b>												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	-	-
CPF (Thailand) Public Company Limited	99.99	99.99	15,289	15,289	48,510	48,510	-	-	48,510	48,510	-	-
CPF Training Center Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	-	-
CPF IT Center Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	-	-
C.P. Merchandising Co., Ltd.	99.99	99.99	9,000	9,000	9,000	9,000	-	-	9,000	9,000	-	2,430
Chester Food Co., Ltd.	99.99	99.99	80	80	450	450	-	-	450	450	-	-
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	500	500	-	-	500	500	-	-
Bellisio Investment, LLC	100.00	100.00	26,991	26,991	26,991	26,991	-	-	26,991	26,991	-	-



**Charoen Pokphand Foods Public Company Limited**  
**and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

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

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		share capital				impairment				for three months ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	March
	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. Standart Gida Sanayi ve Ticaret A.S.	79.37	79.37	6,596	6,596	3,736	3,736	-	-	3,736	3,736	-	-
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	8	8	(8)	(8)	-	-	-	-
Charoen Pokphand Foods (Overseas) LLC	8.15	8.15	3,420	3,420	1,394	1,394	(1,085)	(1,085)	309	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	-	-
CPF Tanzania Limited	58.26	58.26	224	224	129	129	(129)	(129)	-	-	-	-
C.P. Foods Holdings Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
C.P. Foods International Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
CPF Netherlands B.V.	99.99	99.99	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	-	-
<b>Total</b>					<b>187,526</b>	<b>187,497</b>	<b>(1,222)</b>	<b>(1,222)</b>	<b>186,304</b>	<b>186,275</b>	<b>-</b>	<b>2,430</b>
<b>Grand Total</b>					<b>192,717</b>	<b>192,688</b>	<b>(1,222)</b>	<b>(1,222)</b>	<b>191,495</b>	<b>191,466</b>	<b>-</b>	<b>2,430</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**7 Investments in associates**

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

	<i>Note</i>	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
At 1 January		105,893	96,126	335	335
Share of profit		2,085	2,146	-	-
Dividend income		-	(4)	-	-
Acquisitions/additional investments		2,629	709	5,377	-
Disposals		(910)	(1,272)	-	-
Impact from change in accounting policy	3	(509)	-	-	-
Currency translation differences		495	13	-	-
Others		1	(83)	-	-
<b>At 31 March</b>		<b><u>109,684</u></b>	<b><u>97,635</u></b>	<b><u>5,712</u></b>	<b><u>335</u></b>
<b>At 31 December</b>			<b><u>105,893</u></b>		<b><u>335</u></b>

The Group accounts for the investment in ordinary shares of an associate, CP ALL Public Company Limited (“CPALL”), which is a listed company in the Stock Exchange of Thailand, in the consolidated interim financial statements by the equity method. As at 31 March 2020, the fair value of this investment was Baht 186,210 million (*31 December 2019: Baht 219,824 million*).

During the three-month period ended 31 March 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 sold a portion of the investment in an associate with the carrying amount of Baht 910 million (*2019: Baht 1,272 million*) with gain on sale of investment amounting to Baht 864 million (*2019: Baht 2,062 million*).

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*Details of investments in associates and dividend income*

Investments in associates as at 31 March 2020 and 31 December 2019 and dividend income for the three-month period ended 31 March 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 three months ended	
		(%)													
		31	31	31	31	31	31	31	31	31	31	31	31	31	31
		March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019
<b>Marketable security</b>															
CP ALL Public Company Limited	Thailand	33.97	33.86	8,983	8,983	83,658	81,914	102,115	98,848	-	-	102,115	98,848	-	-
<b>Total</b>						<b>83,658</b>	<b>81,914</b>	<b>102,115</b>	<b>98,848</b>	<b>-</b>	<b>-</b>	<b>102,115</b>	<b>98,848</b>	<b>-</b>	<b>-</b>
<b>Non-marketable securities</b>															
Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,203	1,203	159	159	163	163	-	-	163	163	-	-
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	70	70	35	35	147	132	-	-	147	132	-	-
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	60	60	18	18	17	17	-	-	17	17	-	-
C.P. Retail Holding Co., Ltd.	Thailand	20.00	-	630	-	126	-	126	-	-	-	126	-	-	-
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	4	4	2	2	222	187	-	-	222	187	-	-
BHJ Kalino Food AB*	Sweden	15.08	15.08	5	5	24	24	30	28	-	-	30	28	-	4
C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	687	658	-	-	687	658	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Malaysia	49.75	49.75	353	353	176	176	1,332	1,275	-	-	1,332	1,275	-	-

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*Details of investments in associates 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 three months ended	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 March 2019
Chia Tai Conti (Cixi) Investment Management Co., Ltd.															
Cixi Zhuda Investment Centre Limited Partnership **	China	26.12	26.12	15	15	8	8	4	5	-	-	4	5	-	-
Conti Chia Tai International Limited															
Ningxia Xiao Ming Animal Husbandry Co., Ltd. **	China	0.52	0.52	7	7	-	-	-	-	-	-	-	-	-	-
Qingdao Yi Bang Bio Engineering Co., Ltd. **	China	26.12	26.12	767	767	1,052	1,052	2,110	1,977	-	-	2,110	1,977	-	-
Zhan Jiang Deni Carburetor Co., Ltd. ***	China	8.40	8.40	362	362	749	749	769	745	-	-	769	745	-	-
<b>Total</b>		6.27	6.27	147	147	1,358	1,358	1,433	1,346	-	-	1,433	1,346	-	-
<b>Grand total</b>		14.12	14.12	669	669	424	424	529	512	-	-	529	512	-	-
						4,307	4,181	7,569	7,045	-	-	7,569	7,045	-	4
						87,965	86,095	109,684	105,893	-	-	109,684	105,893	-	4

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries  
Notes to the interim financial statements  
For the three-month period ended 31 March 2020 (Unaudited)**

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

\*\* Ningxia Xiao Ming Animal Husbandry Co., Ltd. (“Ningxia Xiao Ming”), Qingdao Yi Bang Bio Engineering Co., Ltd. (“Qingdao Yi Bang”) and Cixi Zhuda Investment Centre Limited Partnership (“Cixi Zhuda”) are associates in which 16.07%, 12.00%, and 1.00%, respectively of the total issued and paid-up share capital were held by Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary as at 31 March 2020. Therefore, the Group accounted for its investments in Ningxia Xiao Ming, Qingdao Yi Bang and Cixi Zhuda using the equity method based on 8.40%, 6.27%, and 0.52% shareholding in the consolidated interim financial statements, respectively. In this regard, CTI exercises significant influence in these companies by having representatives in the board of directors and involving in setting the policy and making the significant decisions for them. Therefore, the Group classified the aforementioned investments as investments in associates.

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

**Charoen Pokphand Foods Public Company Limited**  
**and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*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 three months ended		
	31	31	31	31	31	31	31	31	31	31	31	31	
	March	December	March	December	March	December	March	December	March	December	March	March	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
<i>Marketable security</i>													
CP ALL Public Company Limited	Thailand	1.00	-	8,983	-	5,377	-	-	-	5,377	-	-	-
<b>Total</b>						<b>5,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,377</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Non-marketable securities</i>													
Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,203	1,203	159	159	-	-	159	159	-	-
C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	-	-	176	176	-	-
<b>Total</b>						<b>335</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>335</b>	<b>335</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>						<b>5,712</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>5,712</b>	<b>335</b>	<b>-</b>	<b>-</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
Notes to the interim financial statements  
For the three-month period ended 31 March 2020 (Unaudited)

**8 Investments in joint ventures**

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

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
At 1 January	19,434	9,596	4,360	4,360
Share of profit	595	202	-	-
Acquisitions/additional investments	1	-	-	-
Currency translation differences	151	(99)	-	-
Others	(2)	-	-	-
<b>At 31 March</b>	<b><u>20,179</u></b>	<b><u>9,699</u></b>	<b><u>4,360</u></b>	<b><u>4,360</u></b>
<b>At 31 December</b>		<b><u>19,434</u></b>		<b><u>4,360</u></b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

***Details of investments in joint ventures and dividend income***

Investments in joint ventures as at 31 March 2020 and 31 December 2019 and dividend income for the three-month period ended 31 March 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 three months ended	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 March 2019
<b>Non-marketable securities</b>															
CP-Meiji Co., Ltd. (“CP-Meiji”)*	Thailand	59.99	59.99	500	500	1,200	1,200	2,521	2,414	-	-	2,521	2,414	-	-
Dak Galbi Group Co., Ltd.	Thailand	41.35	41.35	133	133	55	55	29	36	-	-	29	36	-	-
Andhra Pradesh Broodstock Multiplicationcentre Private Limited **	India	74.99	74.99	132	132	98	98	97	92	-	-	97	92	-	-
Beijing Chia Tai Feedmill Co., Ltd.	China	26.12	26.12	157	157	128	128	252	231	-	-	252	231	-	-
Camamor Produtos Marinhos S.A.	Brazil	40.00	40.00	103	103	566	566	448	496	-	-	448	496	-	-
CP-MP Logistics Joint Stock Company	Vietnam	32.43	32.43	16	16	8	8	7	7	-	-	7	7	-	-
Handan Chia Tai Feed Co., Ltd.	China	26.12	26.12	56	56	-	-	21	20	-	-	21	20	-	-
Henan East Chia Tai Co., Ltd.	China	26.12	26.12	170	170	225	225	246	231	-	-	246	231	-	-
HyLife Group Holdings Ltd. **	Canada	50.10	50.10	1,555	1,555	9,737	9,736	10,144	9,736	-	-	10,144	9,736	-	-
ECI Metro Investment Co., Ltd.	China	25.21	25.21	378	378	1,296	1,296	2,852	2,666	-	-	2,852	2,666	-	-



**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*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 three months ended	
		(%)													
		31	31	31	31	31	31	31	31	31	31	31	31	31	31
		March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	March 2019
SuperDrob S.A.	Poland	49.45	49.45	4,708	4,708	3,794	3,794	3,557	3,501	-	-	3,557	3,501	-	-
Westbridge Foods Holding B.V. **	Netherlands	50.00	50.00	1	1	6	6	5	4	-	-	5	4	-	-
<b>Total</b>						<b>17,113</b>	<b>17,112</b>	<b>20,179</b>	<b>19,434</b>	<b>-</b>	<b>-</b>	<b>20,179</b>	<b>19,434</b>	<b>-</b>	<b>-</b>

\* CP-Meiji is a joint venture because the articles of association of CP-Meiji specifies that each investor has joint control over significant financial and operating decisions and has right to the net assets of CP-Meiji. The Group accounts for investments in joint ventures using the equity method in the consolidated interim 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 has right to the net assets of Andhra Pradesh Broodstock Multiplicationcentre Private Limited, HyLife Group Holdings Ltd., and Westbridge Foods Holding B.V. The Group accounts for investments in joint ventures using the equity method in the consolidated interim financial statements.

**Charoen Pokphand Foods Public Company Limited**  
**and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*Details of investments in joint ventures and dividend income (continued)*

(Unit: Million Baht)

Separate financial statements													
Country of operation	Ownership interest		Paid-up share		Cost method		Accumulated		At cost - net		Dividend income for		
	(%)		capital				impairment				three months ended		
	31	31	31	31	31	31	31	31	31	31	31	31	
	March	December	March	December	March	December	March	December	March	December	March	March	
	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	-	-
<b>Total</b>						<b>4,360</b>	<b>4,360</b>	<b>-</b>	<b>-</b>	<b>4,360</b>	<b>4,360</b>	<b>-</b>	<b>-</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**9 Property, plant and equipment**

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

*(Unit: Million Baht)*

<b>Consolidated financial statements</b>				
	<b>2020</b>		<b>2019</b>	
	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost/ net book value	Disposals And transfers out - net book value
Land	189	-	136	-
Buildings and building improvements and utility systems	1,461	1,529	2,461	156
Machinery and equipment	1,869	330	2,860	328
Others	236	72	270	37
Assets under construction and installation	5,775	4,420	3,953	4,459
<b>Total</b>	<b>9,530</b>	<b>6,351</b>	<b>9,680</b>	<b>4,980</b>

*(Unit: Million Baht)*

<b>Separate financial statements</b>				
	<b>2020</b>		<b>2019</b>	
	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost/ net book value	Disposals and transfers out - net book value
Buildings and building improvements and utility systems	56	-	152	116
Machinery and equipment	175	1	62	56
Others	5	-	5	-
Assets under construction and installation	79	213	123	192
<b>Total</b>	<b>315</b>	<b>214</b>	<b>342</b>	<b>364</b>

During the three-month period ended 31 March 2020, the Group and the Company had land revalued by the independent professional valuers using Market Comparison Approach. Therefore, the Group and the Company recognised the increase in value of land in the consolidated and separate financial statements totalling Baht 11,741 million and Baht 2,837 million, respectively. As at 31 March 2020, value of the Group and the Company's land totalling Baht 45,667 million and Baht 9,221 million, respectively (31 December 2019: Baht 33,489 million and Baht 6,383 million, respectively).

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**Fair value measurement**

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

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

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

**10 Leases**

Movement of right-of-use assets is as follows:

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated financial statements</b>			
	<i>Note</i>	Land and Buildings	Machinery	Vehicle	Total
<b><i>Right-of-use assets</i></b>					
At 1 January 2020	3	33,711	2,447	1,346	37,504
Additions		1,135	51	168	1,354
Less lease termination		(38)	(1)	-	(39)
Less depreciation		(960)	(64)	(135)	(1,159)
Currency translation differences		1,325	77	9	1,411
<b>At 31 March 2020</b>		<b>35,173</b>	<b>2,510</b>	<b>1,388</b>	<b>39,071</b>

		<i>(Unit: Million Baht)</i>			
		<b>Separate financial statements</b>			
	<i>Note</i>	Land and Buildings	Machinery	Vehicle	Total
<b><i>Right-of-use assets</i></b>					
At 1 January 2020	3	211	39	173	423
Additions		65	-	26	91
Less depreciation		(31)	(3)	(17)	(51)
<b>At 31 March 2020</b>		<b>245</b>	<b>36</b>	<b>182</b>	<b>463</b>

		<i>(Unit: Million Baht)</i>	
		<b>Consolidated financial statements</b>	<b>Separate Financial statements</b>
<b>For the three-month period ended 31 March 2020</b>			
<b><i>Recognised in profit or loss</i></b>			
Interest expense on lease liabilities		629	3
Expenses relating to short-term leases		321	21
Expenses relating to leases of low-value assets		8	-
Variable lease payments based on sales		97	5

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the three-month period ended 31 March 2020 were Baht 1,953 million and Baht 91 million, respectively.

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**11 Treasury shares**

At the Board of Directors' meeting of the Company held 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 shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the 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.

**12 Subordinated perpetual debentures**

As at 31 March 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 which, as at 1 January 2020, the Company classified the subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. If, as at 31 March 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.

**13 Segment information and disaggregation of revenue**

***Information about reportable segments***

The Group presents the following main segments:

Segment 1 : Livestock business  
Segment 2 : Aquaculture business

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2020	2019
<b><i>Segment revenue</i></b>		
Livestock business	122,376	110,635
Aquaculture business	15,759	14,651
<b>Total</b>	<b>138,135</b>	<b>125,286</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*Information about reportable segments (continued)*

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2020	2019
<b>Segment results</b>		
Livestock business	9,890	4,646
Aquaculture business	1,098	624
<b>Total allocated segment results</b>	<b>10,988</b>	<b>5,270</b>
Unallocated segment results	(2,494)	(93)
<b>Profit for the period</b>	<b>8,494</b>	<b>5,177</b>

*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 presents the following main information about geographical areas:

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

Details of the geographic segment financial information of the geographical area of the Group as at 31 March 2020 and 31 December 2019 and for the three-month period ended 31 March were as follows:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2020	2019
<b>Revenue from external customers</b>		
Thailand	37,516	34,866
Asia	80,969	70,796
Europe	13,642	13,074
America	5,805	6,260
Others	203	290
<b>Total</b>	<b>138,135</b>	<b>125,286</b>

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	31 March 2020	31 December 2019
<b>Property, plant and equipment, right-of-use assets and other intangible assets (excluded goodwill)</b>		
Thailand	102,315	83,402
Asia	131,453	102,177
Europe	15,490	16,939
America	19,824	17,838
<b>Total</b>	<b>269,082</b>	<b>220,356</b>

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

*Disaggregation of revenue*

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

(Unit: Million Baht)

	<b>Consolidated financial statements</b>					
	Aquaculture business		Reportable segments Livestock business		Total	
	2020	2019	2020	2019	2020	2019
<b>Categories of main products</b>						
Animal feed	8,839	8,326	41,571	39,181	50,410	47,507
Animal farm products	5,340	4,776	59,401	49,864	64,741	54,640
Processed foods and ready meals	1,580	1,549	21,404	21,590	22,984	23,139
<b>Total</b>	<b>15,759</b>	<b>14,651</b>	<b>122,376</b>	<b>110,635</b>	<b>138,135</b>	<b>125,286</b>

(Unit: Million Baht)

	<b>Separate financial statements</b>	
	Reportable segment Aquaculture business	
	2020	2019
<b>Categories of main products</b>		
Animal feed	3,000	3,094
Animal farm products	2,230	1,882
Processed foods and ready meals	508	510
<b>Total</b>	<b>5,738</b>	<b>5,486</b>

*Contract Balances*

As at 31 March 2020, the Group and the Company had contract liabilities of Baht 3,500 million and Baht 49 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 and the Company recognise 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 and separate statement of financial position as at 31 March 2020.

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**14 Basic earnings (loss) per share**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>6,111</b>	<b>4,279</b>	<b>(683)</b>	<b>946</b>
<i>Less: cumulative interest expense for the period net of income tax on subordinated perpetual debentures</i>	<i>(150)</i>	<i>(148)</i>	<i>(150)</i>	<i>(148)</i>
<b>Profit (loss) used in calculation of basic earnings per share</b>	<b>5,961</b>	<b>4,131</b>	<b>(833)</b>	<b>798</b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
Number of ordinary shares outstanding at 1 January	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(426)	(426)	-	-
<b>Net</b>	<b>8,185</b>	<b>8,185</b>	<b>8,611</b>	<b>8,611</b>
<b>Basic earnings (loss) per share (in Baht)</b>	<b>0.73</b>	<b>0.50</b>	<b>(0.10)</b>	<b>0.09</b>

**15 Financial Instruments**

***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 for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



**Charoen Pokphand Foods Public Company Limited**  
**and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

(Unit: Million Baht)

	<b>Consolidated financial statements</b>					
<i>Balance as at 31 March 2020</i>	Fair value - applied hedge accounting	Fair value through other comprehensive income	Amortised cost - net	Total	Fair value	Fair value level
<b>Financial assets</b>						
Investments in equity securities measured at fair value through other comprehensive income						
- Marketable equity securities	-	2,842	-	2,842	2,842	1
- Non-marketable equity securities	-	9,505	-	9,505	9,505	3
Derivative assets	422	-	-	422	422	2
<b>Total financial assets</b>	<b>422</b>	<b>12,347</b>	<b>-</b>	<b>12,769</b>	<b>12,769</b>	
<b>Financial liabilities</b>						
Long-term borrowings						
- Debentures	-	-	153,879	153,879	165,025	2
- Exchangeable bonds	-	-	3,094	3,094	3,006	2
Derivative liabilities	2,070	-	-	2,070	2,070	2
<b>Total financial liabilities</b>	<b>2,070</b>	<b>-</b>	<b>156,973</b>	<b>159,043</b>	<b>170,101</b>	

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
Notes to the interim financial statements  
For the three-month period ended 31 March 2020 (Unaudited)

(Unit: Million Baht)

	Separate financial statements					
<i>Balance as at 31 March 2020</i>	Fair value - applied hedge accounting	Fair value through other comprehensive income	Amortised cost - net	Total	Fair value	Fair value level
<b>Financial assets</b>						
Investments in equity securities measured at fair value through other comprehensive income						
- Non-marketable equity securities	-	663	-	663	663	3
Derivative assets	18	-	-	18	18	2
<b>Total financial assets</b>	<b>18</b>	<b>663</b>	<b>-</b>	<b>681</b>	<b>681</b>	
<b>Financial liabilities</b>						
Long-term borrowings						
- Debentures	-	-	92,500	92,500	100,431	2
Derivative liabilities	84	-	-	84	84	2
<b>Total financial liabilities</b>	<b>84</b>	<b>-</b>	<b>92,500</b>	<b>92,584</b>	<b>100,515</b>	

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**Financial instruments measured at Level 3 fair values**

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Non-marketable equity securities	<i>Market comparison technique:</i> The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee. The estimate is adjusted for the effect of the non-marketable of the equity securities.	Adjusted market multiple (1.0 - 1.6 for 31 March 2020 and 1 January 2020).	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).

**Financial instruments measured at Level 2 fair values**

<b>Type</b>	<b>Valuation technique</b>
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.
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of estimated future cash flows. Estimated of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap.
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”)	Determined based on quoted prices in the EBs market traded in overseas by using the closing price at the end of the reporting period.

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

***Impairment loss***

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Group considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Allowance for impairment loss for trade and other accounts receivable are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	Accounts receivable - trade and others	Allowance for impairment losses
<b>At 31 March 2020</b>		
Within credit terms	27,733	16
Overdue 1 - 60 days	5,084	38
Overdue 60 - 120 days	1,048	41
More than 120 days	2,440	1,148
<b>Total</b>	<b>36,305</b>	<b>1,243</b>
Less allowance for impairment	(1,243)	
<b>Net</b>	<b>35,062</b>	

	<i>(Unit: Million Baht)</i>	
	<b>Separate financial statements</b>	
	Accounts receivable - trade and others	Allowance for impairment losses
<b>At 31 March 2020</b>		
Within credit terms	1,437	5
Overdue 1 - 60 days	446	1
Overdue 60 - 120 days	319	1
More than 120 days	580	55
<b>Total</b>	<b>2,782</b>	<b>62</b>
Less allowance for impairment	(62)	
<b>Net</b>	<b>2,720</b>	

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**16 Commitments with non-related parties**

The Group had commitments with non-related parties as at 31 March 2020 and 31 December 2019 as follows:

**16.1 Capital commitments**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31	31	31	31
	March	December	March	December
	2020	2019	2020	2019
<i>Contracted but not provided for</i>				
Land, buildings and constructions	7,233	5,211	-	-
Machinery, equipment and others	3,875	4,376	16	546
<b>Total</b>	<b>11,108</b>	<b>9,587</b>	<b>16</b>	<b>546</b>

**16.2 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 March 2020 totalling Baht 21 million *(31 December 2019: Baht 14 million)*.

**16.3 Letters of credit**

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,958 million *(31 December 2019: Baht 2,065 million)*.

**16.4 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 17 million and Baht 10,791 million, respectively *(31 December 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 274 million *(31 December 2019: Baht 314 million)*.

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**17 Guarantees**

As at 31 March 2020, certain subsidiaries pledged their assets as collateral for their borrowings from financial institutions as follows:

17.1 Ordinary shares of the following foreign subsidiaries:

- (a) C.P. Pokphand Co., Ltd. totalling 1,234 million ordinary shares with fair value of Baht 3,181 million *(31 December 2019: 1,234 million ordinary shares with fair value of Baht 3,019 million)*.
- (b) Pravdinsk Pig Production-2 Limited Liability Company with an issued and paid-up capital of Baht 421 million *(31 December 2019: Baht 485 million)*.
- (c) NNPP Limited Liability Company with an issued and paid-up capital of Baht 201 million *(31 December 2019: Baht 232 million)*.
- (d) NNPP-2 Limited Liability Company with an issued and paid-up capital of Baht 375 million *(31 December 2019: Baht 433 million)*.
- (e) Charoen Pokphand Foods (Overseas) LLC with an issued and paid-up capital of Baht 36 million *(31 December 2019: Baht 42 million)*.

17.2 Property, plant and equipment with net book value of Baht 12,904 million *(31 December 2019: Baht 13,558 million)*.

17.3 Current and non-current assets mainly comprising of right-of-use assets, inventories and net accounts receivable and payable, with carrying amount of Baht 5,241 million *(31 December 2019: Baht 4,641 million)*.

**18 Others**

18.1 During the first quarter of 2020, the board of directors of the Company approved 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:

- (a) 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
- (b) 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 will be made indirectly through two special purpose vehicles being C.P. Retail Holding Company Limited (the “Holding Company”) which wholly owns the share capital of C.P. Retail Development Company Limited (the “Acquiring Entity”). The value of the investment by CPM in the Holding Company is approximately USD 1,500 million or equivalent to Baht 47,991 million. However, the completion of the acquisition is subjected to the satisfaction of the precedent conditions in accordance with the share sale and purchase agreement.

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

Upon the completion of the transaction, CPM will hold up to 20.00% of the total issued and paid shares in Tesco Asia Group and Tesco Asia Group will become an associate of the Group.

- 18.2 At the Board of Directors' meeting of the Company held on 20 February 2020, the Board of Directors of the Company passed a resolution to approve CPF Investment Limited ("CPFI"), a subsidiary which 100% of its issued and paid-up share capital being owned by the Company, to acquire the remaining ordinary shares of an overseas associate (Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ("CPHM")), from Standard Investment Pte. Ltd. ("SIP") equaled to 50.25% of total issued and paid-up share capital for total consideration of MYR 177 million or approximately Baht 1,345 million. Upon the completion of the transaction, CPHM will change status from an associate to a subsidiary of the Group.

**19 Event after the reporting period**

At the Board of Directors' meeting of the Company held on 1 April 2020, the Board of Directors of the Company passed a resolution to approve the postponement of the Annual General Shareholders' Meeting of 2020 and approve the interim dividend payment instead of the annual dividend based on the Company's operating results of the year 2019 at Baht 0.40 per share to shareholders who have the rights to receive the dividend of 8,611,242,385 shares, totalling of Baht 3,444 million, which was scheduled to be paid on 30 April 2020. This dividend when combined with the first interim dividend paid on 12 September 2019 of Baht 0.30 per share, will totally be Baht 0.70 per share.