

**CP ALL Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2019  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of CP ALL Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries (the "Group") and of CP ALL Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Valuation of inventories	
Refer to notes 3(g) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management's judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood the inventory control and management policy and the estimation of net realisable value of inventories.</li> <li>- Tested a sample of the aging of inventory and the reasonableness of assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories determined by management and compared that percentage with information for destruction and shrinkage inventories.</li> <li>- Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value.</li> <li>- Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

Impairment of goodwill and other intangible assets	
Refer to note 3(k), 3(m), 13 and 14 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition.</p> <p>The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions.</p> <p>The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. This area was focused on my audit accordingly.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood the process of the estimated recoverable amount to assess the impairment.</li> <li>- Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions.</li> <li>- Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>



### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance and request that the correction be made. I have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Munchupa Singusawat)  
Certified Public Accountant  
Registration No. 6112

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2020

# CP ALL Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	5	29,860,512,542	34,023,108,678	17,895,285,548	22,611,758,020
Current investments	6	658,571,919	1,467,226,803	-	-
Trade accounts receivable	4, 7	1,718,002,000	2,039,650,878	116,091,721	65,520,257
Other current receivables	4, 8	7,729,043,159	7,406,471,249	5,174,188,651	4,929,326,355
Short-term loans to subsidiaries	4	-	-	6,116,500,000	5,850,000,000
Inventories	4, 9	31,537,849,390	29,570,068,385	14,683,841,916	13,458,885,841
Other current assets		419,217,414	487,183,205	273,570,235	293,762,578
<b>Total current assets</b>		<b>71,923,196,424</b>	<b>74,993,709,198</b>	<b>44,259,478,071</b>	<b>47,209,253,051</b>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	199,527,531,304	197,610,700,540
Investment in related company	4	34,000,000	34,000,000	34,000,000	34,000,000
Other long-term investments		2,041,800	988,482	-	-
Other non-current receivables	4, 8	1,576,268,311	1,398,185,521	1,085,642,493	1,107,169,290
Investment properties		332,832,502	332,832,502	-	-
Property, plant and equipment	4, 12	116,082,072,184	111,287,431,835	35,095,978,841	30,983,841,928
Goodwill	13	128,096,020,528	128,096,020,528	-	-
Leasehold rights		3,916,632,928	4,107,307,022	361,117,272	395,839,291
Other intangible assets	4, 14	51,383,824,998	51,435,443,460	1,688,978,185	1,394,495,418
Deferred tax assets	26	1,291,216,517	1,002,040,250	626,103,383	459,191,755
Other non-current assets		979,348,056	1,053,658,260	1,237,966,689	1,173,596,808
<b>Total non-current assets</b>		<b>303,694,257,824</b>	<b>298,747,907,860</b>	<b>239,657,318,167</b>	<b>233,158,835,030</b>
<b>Total assets</b>		<b>375,617,454,248</b>	<b>373,741,617,058</b>	<b>283,916,796,238</b>	<b>280,368,088,081</b>

The accompanying notes form an integral part of the financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
Current liabilities					
Short-term borrowings from					
financial institutions	15	3,326,783,629	3,582,583,743	2,500,000,000	-
Trade accounts payable	4, 16	78,549,536,720	78,790,390,772	41,331,658,456	41,442,528,081
Other payables	4, 17	15,169,853,937	15,413,621,022	18,496,677,333	19,212,592,501
Contract liabilities	21	794,163,919	452,968,792	-	-
Short-term borrowing from					
subsidiary	4	-	-	700,000,000	-
Short-term borrowings from					
other parties	15	14,473,920	-	-	-
Current portion of debentures	15	12,289,800,000	22,994,300,000	12,289,800,000	22,994,300,000
Current portion of long-term					
borrowings from financial					
institutions	15	238,688,568	94,476,827	-	-
Current portion of finance					
lease liabilities	15	92,346,896	106,205,916	-	-
Income tax payable		1,532,910,483	1,394,812,435	379,237,114	447,915,573
Other current liabilities		908,597,642	922,328,431	638,077,789	672,669,610
Total current liabilities		112,917,155,714	123,751,687,938	76,335,450,692	84,770,005,765
Non-current liabilities					
Debentures	15	120,593,800,000	117,883,600,000	120,593,800,000	117,883,600,000
Long-term borrowings from					
financial institutions	15	8,599,261,480	9,009,893,588	-	-
Finance lease liabilities	15	549,429,782	592,139,807	-	-
Provisions for employee benefits	18	4,842,898,783	3,368,249,860	2,771,801,939	1,927,575,725
Accrued guarantee deposits		3,926,376,529	3,716,365,858	3,858,827,866	3,634,158,956
Deferred tax liabilities	26	15,003,566,594	15,087,901,684	-	-
Other non-current liabilities		817,168,878	513,093,464	198,315,656	132,459,670
Total non-current liabilities		154,332,502,046	150,171,244,261	127,422,745,461	123,577,794,351
Total liabilities		267,249,657,760	273,922,932,199	203,758,196,153	208,347,800,116

The accompanying notes are an integral part of these financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
<b>Equity</b>					
Share capital					
Authorised share capital					
(8,986 million ordinary shares, par value at Baht 1 per share)		8,986,296,048	8,986,296,048	8,986,296,048	8,986,296,048
Issued and paid-up share capital					
(8,983 million ordinary shares, par value at Baht 1 per share)		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	19				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Deficit from changes in ownership					
interests in subsidiaries		(1,442,732,789)	(1,061,147,719)	-	-
Retained earnings					
Appropriated					
Legal reserve	19	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		65,853,268,522	55,731,138,106	48,682,027,658	40,543,715,538
Other component of equity		(2,148,249,520)	(1,315,759,337)	-	-
<b>Total</b>		<b>73,829,704,440</b>	<b>64,921,649,277</b>	<b>60,249,445,885</b>	<b>52,111,133,765</b>
Subordinated perpetual debentures	20	19,909,154,200	19,909,154,200	19,909,154,200	19,909,154,200
<b>Equity attributable to equity</b>					
holders of the Company		93,738,858,640	84,830,803,477	80,158,600,085	72,020,287,965
Non-controlling interests	11	14,628,937,848	14,987,881,382	-	-
<b>Total equity</b>		<b>108,367,796,488</b>	<b>99,818,684,859</b>	<b>80,158,600,085</b>	<b>72,020,287,965</b>
<b>Total liabilities and equity</b>		<b>375,617,454,248</b>	<b>373,741,617,058</b>	<b>283,916,796,238</b>	<b>280,368,088,081</b>

The accompanying notes form an integral part of the financial statements.



# CP ALL Public Company Limited and its Subsidiaries

## Statement of income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Revenues</b>	4				
Revenue from sale of goods and rendering of services		550,900,785,536	508,212,330,195	334,061,076,230	308,843,148,532
Interest income		294,467,357	279,717,094	481,282,052	410,887,018
Dividend income		256,406	222,724	6,571,094,577	6,521,296,935
Net foreign exchange gain		103,577,238	39,718,044	887,417	171,828
Gain on sale of investment in subsidiary	10	-	-	-	907,177,120
Other income	22	19,810,971,226	18,642,252,352	19,919,733,731	18,504,644,095
<b>Total revenues</b>		<b>571,110,057,763</b>	<b>527,174,240,409</b>	<b>361,034,074,007</b>	<b>335,187,325,528</b>
<b>Expenses</b>	4				
Cost of sale of goods and rendering of services		426,063,155,887	394,631,728,898	240,234,513,413	222,800,307,928
Distribution costs		93,390,375,345	84,486,073,988	79,182,021,703	71,667,003,828
Administrative expenses		18,171,689,335	15,709,057,219	13,294,425,941	12,032,226,082
Finance costs	25	6,720,979,703	7,195,670,758	6,326,018,579	6,763,456,915
<b>Total expenses</b>		<b>544,346,200,270</b>	<b>502,022,530,863</b>	<b>339,036,979,636</b>	<b>313,262,994,753</b>
<b>Profit before income tax expense</b>		<b>26,763,857,493</b>	<b>25,151,709,546</b>	<b>21,997,094,371</b>	<b>21,924,330,775</b>
Income tax expense	26	4,069,742,965	3,968,671,446	1,816,992,522	1,979,911,710
<b>Profit for the year</b>		<b>22,694,114,528</b>	<b>21,183,038,100</b>	<b>20,180,101,849</b>	<b>19,944,419,065</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		22,343,084,745	20,929,650,304	20,180,101,849	19,944,419,065
Non-controlling interests	11	351,029,783	253,387,796	-	-
<b>Profit for the year</b>		<b>22,694,114,528</b>	<b>21,183,038,100</b>	<b>20,180,101,849</b>	<b>19,944,419,065</b>
<b>Basic earnings per share (in Baht)</b>	27	<b>2.38</b>	<b>2.22</b>	<b>2.14</b>	<b>2.11</b>

The accompanying notes are an integral part of these financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
Note		2019	2018	2019	2018
		(in Baht)			
	<b>Profit for the year</b>	<b>22,694,114,528</b>	<b>21,183,038,100</b>	<b>20,180,101,849</b>	<b>19,944,419,065</b>
	<b>Other comprehensive income</b>				
	<i>Item that will be reclassified subsequently to profit or loss</i>				
	Exchange differences on translating financial statements	(860,288,021)	(599,145,189)	-	-
		<u>(860,288,021)</u>	<u>(599,145,189)</u>	<u>-</u>	<u>-</u>
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	Losses on remeasurements of defined benefit plans	18, 26 (544,668,515)	(55,924,795)	(327,585,140)	(38,520,883)
	Income tax relating to components of other comprehensive income on losses on remeasurements of defined benefit plans	26 98,698,339	9,447,402	65,517,028	7,704,177
		<u>(445,970,176)</u>	<u>(46,477,393)</u>	<u>(262,068,112)</u>	<u>(30,816,706)</u>
	<b>Other comprehensive income for the year, net of income tax</b>	<b><u>(1,306,258,197)</u></b>	<b><u>(645,622,582)</u></b>	<b><u>(262,068,112)</u></b>	<b><u>(30,816,706)</u></b>
	<b>Total comprehensive income for the year</b>	<b><u>21,387,856,331</u></b>	<b><u>20,537,415,518</u></b>	<b><u>19,918,033,737</u></b>	<b><u>19,913,602,359</u></b>
	<b>Total comprehensive income attributable to:</b>				
	Equity holders of the Company	21,069,361,850	20,297,861,451	19,918,033,737	19,913,602,359
	Non-controlling interests	11 318,494,481	239,554,067	-	-
	<b>Total comprehensive income for the year</b>	<b><u>21,387,856,331</u></b>	<b><u>20,537,415,518</u></b>	<b><u>19,918,033,737</u></b>	<b><u>19,913,602,359</u></b>

The accompanying notes are an integral part of these financial statements.

**CP ALL Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

Consolidated financial statements										
				Retained earnings		Other component of equity				
			Deficit from changes in ownership interests in subsidiaries	Legal reserve	Unappropriated	Exchange differences on translating financial statements	Subordinated perpetual debentures	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Note	Issued and paid-up share capital	Premium on ordinary shares								
										(in Baht)
For the year ended 31 December 2019										
Balance at 1 January 2019	8,983,101,348	1,684,316,879	(1,061,147,719)	900,000,000	55,731,138,106	(1,315,759,337)	19,909,154,200	84,830,803,477	14,987,861,382	99,818,684,859
Transactions with equity holders, recorded directly in equity										
Distributions to equity holders										
Dividends	28	-	-	-	(10,779,721,617)	-	-	(10,779,721,617)	(318,822,351)	(11,098,543,968)
Total distributions to equity holders		-	-	-	(10,779,721,617)	-	-	(10,779,721,617)	(318,822,351)	(11,098,543,968)
Changes in ownership interests in subsidiaries										
Called for paid-up share capital from subsidiaries		-	-	-	-	-	-	-	47,850,030	47,850,030
Changes in ownership interest in subsidiary without a change in control	10	-	-	(381,585,070)	-	-	-	(381,585,070)	(406,465,694)	(788,050,764)
Total changes in ownership interests in subsidiaries		-	-	(381,585,070)	-	-	-	(381,585,070)	(358,615,664)	(740,200,734)
Total transactions with equity holders, recorded directly in equity		-	-	(381,585,070)	-	(10,779,721,617)	-	(11,161,306,687)	(677,438,015)	(11,838,744,702)
Comprehensive income for the year										
Profit		-	-	-	22,343,084,745	-	-	22,343,084,745	351,029,783	22,694,114,528
Other comprehensive income		-	-	-	(441,232,712)	(832,490,183)	-	(1,273,722,895)	(32,535,302)	(1,306,258,197)
Total comprehensive income for the year		-	-	-	21,901,852,033	(832,490,183)	-	21,069,361,850	318,494,481	21,387,856,331
Interest payment on subordinated perpetual debentures										
	20	-	-	-	(1,000,000,000)	-	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2019		8,983,101,348	1,684,316,879	(1,442,732,789)	900,000,000	65,853,268,522	(2,148,249,520)	93,738,858,640	14,628,937,848	108,367,796,488

The accompanying notes form an integral part of the financial statements.

**CP ALL Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

Consolidated financial statements										
			Surplus (Deficit)	Retained earnings		Other component of equity				
	Issued and paid-up share capital	Premium on ordinary shares	from changes in ownership interest in subsidiary	Legal reserve	Unappropriated	Exchange differences on translating financial statements	Subordinated perpetual debentures	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Note										
						(in Baht)				
For the year ended 31 December 2018										
Balance at 1 January 2018	8,983,101,348	1,684,316,879	(1,142,585,625)	900,000,000	45,728,253,122	(729,324,321)	19,909,154,200	75,332,915,603	4,895,864,668	80,228,780,271
Transactions with equity holders, recorded directly in equity										
Distributions to equity holders										
Dividends	28	-	-	-	-	(9,881,411,483)	-	(9,881,411,483)	(189,882,054)	(10,071,293,537)
Total distributions to equity holders		-	-	-	-	(9,881,411,483)	-	(9,881,411,483)	(189,882,054)	(10,071,293,537)
Changes in ownership interests in subsidiaries										
Called for paid-up share capital from subsidiaries		-	-	-	-	-	-	-	145,289,030	145,289,030
Changes in ownership interest in subsidiary without a change in control	10	-	-	81,437,906	-	-	-	81,437,906	9,897,055,671	9,978,493,577
Total changes in ownership interests in subsidiaries		-	-	81,437,906	-	-	-	81,437,906	10,042,344,701	10,123,782,607
Total transactions with equity holders, recorded directly in equity		-	-	81,437,906	-	(9,881,411,483)	-	(9,799,973,577)	9,852,462,647	52,489,070
Comprehensive income for the year										
Profit		-	-	-	-	20,929,650,304	-	20,929,650,304	253,387,796	21,183,038,100
Other comprehensive income		-	-	-	-	(45,353,837)	(586,435,016)	(631,788,853)	(13,833,729)	(645,622,582)
Total comprehensive income for the year		-	-	-	-	20,884,296,467	(586,435,016)	20,297,861,451	239,554,067	20,537,415,518
Interest payment on subordinated perpetual debentures	20	-	-	-	-	(1,000,000,000)	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2018		8,983,101,348	1,684,316,879	(1,061,147,719)	900,000,000	55,731,138,106	(1,315,759,337)	84,830,803,477	14,987,881,382	99,818,684,859

The accompanying notes form an integral part of the financial statements.



# CP ALL Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements				Subordinated perpetual debentures	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			
				Legal reserve	Unappropriated  (in Baht)		
For the year ended 31 December 2019							
Balance at 1 January 2019		8,983,101,348	1,684,316,879	900,000,000	40,543,715,538	19,909,154,200	72,020,287,965
Transactions with equity holders, recorded directly in equity							
<i>Distributions to equity holders</i>							
Dividends	28	-	-	-	(10,779,721,617)	-	(10,779,721,617)
Total transactions with equity holders, recorded directly in equity		-	-	-	(10,779,721,617)	-	(10,779,721,617)
Comprehensive income for the year							
Profit		-	-	-	20,180,101,849	-	20,180,101,849
Other comprehensive income		-	-	-	(262,068,112)	-	(262,068,112)
Total comprehensive income for the year		-	-	-	19,918,033,737	-	19,918,033,737
Interest payment on subordinated perpetual debentures							
	20	-	-	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2019		8,983,101,348	1,684,316,879	900,000,000	48,682,027,658	19,909,154,200	80,158,600,085

The accompanying notes form an integral part of the financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements					
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Subordinated perpetual debentures	Total equity
				Legal reserve	Unappropriated		
For the year ended 31 December 2018							
Balance at 1 January 2018		8,983,101,348	1,684,316,879	900,000,000	31,511,524,662	19,909,154,200	62,988,097,089
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	28	-	-	-	(9,881,411,483)	-	(9,881,411,483)
Total transactions with equity holders, recorded directly in equity		-	-	-	(9,881,411,483)	-	(9,881,411,483)
Comprehensive income for the year							
Profit		-	-	-	19,944,419,065	-	19,944,419,065
Other comprehensive income		-	-	-	(30,816,706)	-	(30,816,706)
Total comprehensive income for the year		-	-	-	19,913,602,359	-	19,913,602,359
Interest payment on subordinated perpetual debentures							
	20	-	-	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2018		8,983,101,348	1,684,316,879	900,000,000	40,543,715,538	19,909,154,200	72,020,287,965

The accompanying notes form an integral part of the financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit for the year		22,694,114,528	21,183,038,100	20,180,101,849	19,944,419,065
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation	12, 24	10,165,615,978	9,507,405,827	6,091,390,572	5,704,493,122
Amortisation of leasehold rights	24	307,593,309	298,791,488	111,585,757	107,281,101
Amortisation of other intangible assets	14, 24	746,640,675	637,951,754	252,834,673	227,181,650
Interest income		(294,467,357)	(279,717,094)	(481,282,052)	(410,887,018)
Dividend income		(256,406)	(222,724)	(6,571,094,577)	(6,521,296,935)
Gain on sale of investment in subsidiary	10	-	-	-	(907,177,120)
Finance costs	25	6,720,979,703	7,195,670,758	6,326,018,579	6,763,456,915
Income tax expense	26	4,069,742,965	3,968,671,446	1,816,992,522	1,979,911,710
Provisions for employee benefits	18	1,193,356,151	569,096,145	680,916,428	365,647,220
(Reversal of) allowance for losses on decline in value of inventories	9	(21,987,739)	(252,994,300)	126,428	(232,739,026)
Impairment for loss on other long-term investment		411,582	-	-	-
(Reversal of) impairment for losses on property, plant and equipment	12	(3,665,000)	8,356,156	-	-
Impairment for losses (reversal of impairment for losses) on other intangible assets	14	7,470,000	(2,500,000)	-	-
Bad and doubtful debts expenses	7, 8	32,879,745	15,355,779	9,567,750	6,505,259
Unrealised loss (gain) on exchange		2,270,791	(7,772,566)	-	-
Loss on disposal and write-off of property, plant and equipment		157,066,981	151,843,212	145,773,791	150,614,581
Gain on disposal of leasehold rights		(9,527,988)	(12,885,650)	(9,527,988)	(12,885,650)
Loss on write-off of other intangible assets		88,693	93,799	39,172	93,799
		45,768,326,611	42,980,182,130	28,553,442,904	27,164,618,673

The accompanying notes are an integral part of these financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of cash flows (Continued)

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		300,160,272	(441,658,271)	(50,571,464)	58,412,877
Other receivables		(535,503,753)	(717,257,078)	(252,333,847)	(256,523,769)
Inventories		(1,945,814,769)	(1,940,788,381)	(1,225,082,503)	(502,471,064)
Other current assets		83,190,631	136,945,334	29,909,870	79,023,407
Other non-current assets		(57,048,843)	(258,980,537)	(64,369,881)	(71,036,146)
Trade accounts payable		(224,887,084)	4,105,602,148	(110,869,624)	3,106,093,506
Other payables		718,978,487	1,013,918,062	(1,136,518,862)	1,955,932,684
Contract liabilities		341,195,127	(5,286,002)	-	-
Other current liabilities		(13,730,790)	65,530,584	(34,591,822)	100,735,575
Provisions for employee benefits paid	18	(262,382,079)	(42,639,218)	(175,049,824)	(14,375,300)
Transferred in (out) of provisions for employee benefits	18	752,000	(1,198,600)	10,774,470	(177,900)
Accrued guarantee deposits		210,010,671	123,623,737	224,668,910	176,400,186
Other non-current liabilities		304,075,414	198,342,725	65,855,986	57,794,037
Net cash generated from operating		44,687,321,895	45,216,336,633	25,835,264,313	31,854,426,766
Income tax paid		(4,210,463,000)	(3,989,499,324)	(1,987,065,581)	(1,825,447,600)
Net cash from operating activities		40,476,858,895	41,226,837,309	23,848,198,732	30,028,979,166
<i>Cash flows from investing activities</i>					
Interest received		290,846,720	282,408,856	500,712,650	383,659,483
Dividends received		256,406	222,724	6,571,094,577	6,521,296,935
Acquisition of current investments	6	(765,619,494)	(1,955,783,272)	-	-
Proceeds from sale of current investments	6	1,571,485,959	1,872,481,447	-	-
Cash outflow on short-term loans to subsidiaries	4	-	-	(1,366,500,000)	(1,600,000,000)
Proceeds from repayment of short-term loans to subsidiaries	4	-	-	1,100,000,000	450,000,000
Cash outflow on investments in subsidiaries	10	-	-	(1,128,780,000)	(999,970)
Acquisition of other long-term investments		(1,464,900)	(576,900)	-	-

The accompanying notes are an integral part of these financial statements.



**CP ALL Public Company Limited and its Subsidiaries**

**Statement of cash flows (Continued)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Acquisition of property, plant and equipment	30	(16,837,129,878)	(14,434,171,788)	(10,184,285,400)	(8,194,409,744)
Proceeds from sale of property, plant and equipment		208,558,347	203,985,803	169,718,937	142,843,113
Acquisition of leasehold rights		(212,597,787)	(394,011,215)	(91,155,298)	(145,602,131)
Proceeds from sale of leasehold rights		14,102,021	13,340,653	14,102,021	13,191,499
Acquisition of other intangible assets	30	(851,997,693)	(943,154,123)	(451,189,174)	(279,870,575)
Proceeds from sale of other intangible assets		-	1,334,864	-	-
<b>Net cash used in investing activities</b>		<b>(16,583,560,299)</b>	<b>(15,353,922,951)</b>	<b>(4,866,281,687)</b>	<b>(2,709,891,390)</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(6,676,471,771)	(7,200,771,650)	(6,335,710,937)	(6,861,639,814)
Interest paid on subordinated perpetual debentures	20	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)
Dividends paid to equity holders of the Company	28	(10,780,327,816)	(9,880,995,369)	(10,780,327,816)	(9,880,995,369)
Dividends paid to non-controlling interests		(318,822,351)	(189,882,054)	-	-
Payment by a lessee for reduction of the outstanding liabilities relating to a finance lease	15	(124,355,917)	(183,604,902)	-	-
(Decrease) increase in short-term borrowings from financial institutions	15	(235,105,998)	(742,946,098)	2,500,000,000	-
Proceeds from short-term borrowing from subsidiary	4	-	-	700,000,000	-
Proceeds from short-term borrowings from other parties	15	14,902,848	-	-	-
Proceeds from issue of debentures	15	15,000,000,000	-	15,000,000,000	-
Repayment of debentures	15	(22,994,300,000)	(14,747,000,000)	(22,994,300,000)	(14,747,000,000)

The accompanying notes are an integral part of these financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Statement of cash flows (Continued)

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
Proceeds from long-term borrowings					
from financial institutions	15	3,068,331	5,002,261,007	-	-
Repayment of long-term borrowings					
from financial institutions	15	(86,993,805)	(2,047,595,101)	-	-
Proceeds from called for paid-up share capital from subsidiaries		47,850,030	145,289,030	-	-
(Payment of) proceeds from changes in ownership interests in subsidiaries without a change in control	10	(788,050,764)	10,130,912,000	(788,050,764)	10,130,912,000
<b>Net cash used in financing activities</b>		<b>(27,938,607,213)</b>	<b>(20,714,333,137)</b>	<b>(23,698,389,517)</b>	<b>(22,358,723,183)</b>
Net (decrease) increase in cash and cash equivalents, before effect of exchange rates		(4,045,308,617)	5,158,581,221	(4,716,472,472)	4,960,364,593
Effect of exchange rate changes on cash and cash equivalents		(117,287,519)	(14,278,350)	-	-
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(4,162,596,136)</b>	<b>5,144,302,871</b>	<b>(4,716,472,472)</b>	<b>4,960,364,593</b>
Cash and cash equivalents at 1 January		34,023,108,678	28,878,805,807	22,611,758,020	17,651,393,427
<b>Cash and cash equivalents at 31 December</b>	5	<b>29,860,512,542</b>	<b>34,023,108,678</b>	<b>17,895,285,548</b>	<b>22,611,758,020</b>

The accompanying notes form an integral part of the financial statements.

# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

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# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

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 Board of Directors on 19 February 2020.

### 1 General information

CP ALL Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 14 October 2003. The company has its registered office at 313 C.P. Tower, 24<sup>th</sup> Floor, Silom Road, Kwang Silom, Khet Bangrak, Bangkok 10500, Thailand.

The major shareholder of the Company and its subsidiaries (together referred to as the “Group”) during the financial year was Charoen Pokphand Group of companies.

The principal businesses of the Group are operating convenience stores, cash and carry, payment centers and the related supporting services.

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 31 December 2019 was 11,712 stores (2018: 10,988 stores).

	2019 (number of stores)	2018
The Company owns and manages convenience stores	5,215	4,894
The Company franchises the license to other retailers		
- under management agreements	5,687	5,336
- under sub-license agreements	810	758
<b>Total</b>	<b>11,712</b>	<b>10,988</b>

Details of the Company’s subsidiaries as at 31 December 2019 and 2018 are given in note 10 to the financial statements.

### 2 Basis of preparation of the financial statements

#### (a) 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 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initially applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”) and related interpretations. The details of accounting policies are disclosed in note 3(u) to the financial statements.



# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

In addition to the above new and revised TFRS, the Federation of Accounting Professions has issued a number of new and revised TFRS which are not yet effective for the current period. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 33 to the financial statements.

### **(b) *Functional and presentation currency***

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

### **(c) *Use of judgements and estimates***

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

#### *Assumptions and estimation uncertainties*

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes to the financial statements:

Notes 13 and 14	Impairment test of goodwill and other intangible assets: key assumptions underlying recoverable amounts; and
Note 18	Measurement of defined benefit obligations: key actuarial assumptions

## **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **(a) *Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group").

#### *Business combinations*

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

The Group controls an entity when it is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

Consideration transferred is measured as the fair values of the assets transferred, liabilities incurred by the Group to the previous equity holders of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value 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 the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a 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, or additional assets or liabilities are recognised, 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.

#### *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.

#### *Non-controlling interests*

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

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

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. 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.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

### **(b) Foreign currencies**

#### *Foreign currency transactions*

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

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting 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 at the exchange rates at the dates of the transactions.

#### *Foreign entities*

The assets and liabilities of foreign entities are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on the transaction dates.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translating are recognised in other comprehensive income and presented in the exchange differences on translating financial statement reserve in equity until disposal of the investments, except to extent that the translation difference is allocated to non-controlling interests.

When a foreign entity 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 entity 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 settlement of a monetary item receivable from or payable to a foreign entity is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign entity and are recognised in other comprehensive income, and presented in the exchange differences on translating financial statement reserve in equity until disposal of the investment.

### **(c) Derivatives**

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

### **(d) Hedging**

#### *Hedge of future foreign currency transactions*

Gains and losses from forward exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates and the forward premium/discount is amortised as income/expense on a straight-line basis over the forward contract period.

#### **(e) *Cash and cash equivalents***

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

#### **(f) *Trade and other accounts receivable***

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

#### **(g) *Inventories***

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principal and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, less purchase discount as specified in the contractual agreements. In the case of manufactured finished goods and work in progress, cost includes an appropriate share of production 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.

An allowance for losses on decline in value of inventories of the Group is made for deteriorated, damaged, obsolete and slow-moving inventories and is assessed on analysis of aging of inventory and estimation of shrinkage inventories.

#### **(h) *Investments***

##### *Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

##### *Investments in other debt and equity securities*

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments and stated at amortised cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Equity securities which are not marketable are stated at cost less any impairment losses.

# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

### *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.

### **(i) Investment properties**

Investment properties are properties which are held to earn rental income, 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 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, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

### **(j) Property, plant and equipment**

#### *Recognition and measurement*

##### *Owned assets of the Group*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated 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, any 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, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that 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.

Any 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.

##### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance lease is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### *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 depreciable amount, which is 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 component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and improvements	3 - 50 years
Leasehold improvements	over the lease period
Machinery and equipment	3 - 15 years
Furniture, fixtures and office equipment	2 - 10 years
Others	
- Electricity and water systems	5 - 20 years
- Vehicles	5 years
- Library book	5 years

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

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

### **(k) Intangible assets**

#### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated 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 accumulated impairment losses.

Other intangible assets that are acquired by the Group and have indefinite useful lives i.e intellectual property and business license etc. are measured at cost less accumulated impairment losses. They are not amortised but tested for impairment annually or more frequently if there is any impairment indicator. The assessment of the classification of intangible assets as indefinite is reviewed annually.

#### *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 brands, is recognised in profit or loss as incurred.



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### *Amortisation*

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, 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, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Computer software	2 - 10 years
Intellectual property	indefinite useful lives
Business license	3, 10 years and indefinite useful lives
Customer base and other	7, 10 and 15 years

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

### **(l) Leasehold rights**

Leasehold rights, acquired by the Group, have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

### *Amortisation*

Amortisation is recognised in the profit or loss. The Company amortises the cost of leasehold rights on a straight-line basis over the periods of the lease agreements between 1 to 33 years.

### **(m) Impairment**

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.

### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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.

### *Reversals 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 in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

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.

**(n) *Interest-bearing liabilities***

Interest-bearing liabilities are recognised as stated in the agreement.

**(o) *Trade and other accounts payable***

Trade and other accounts payable are stated at cost.

**(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 plans are expensed as the related service is provided.

*Post-employment benefit - defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment 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.

*Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and 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 benefits are expensed as the related service is provided. 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 if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

### **(s) Subordinated perpetual debentures**

Subordinated perpetual debentures which are payable upon dissolution are recognised as equity as the Company has the sole right and discretion to early redemption as stipulated in terms and conditions of debentures, and the interest and cumulative interest payment are unconditionally deferred without time and number limitation and payable at the Company's discretion. Accordingly, any interest payments are recognised similar as dividends and directly in equity when payment obligation arises. Interest payments are presented in the statement of cash flows at the same way as dividends paid to ordinary shareholders.

### **(t) Measurement of fair values**

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

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

- 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 or indirectly.
- Level 3: unobservable inputs for the asset or liability.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

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) Revenues**

##### ***Accounting policies for revenue recognition in 2019***

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

##### ***Sales of goods and rendering of services***

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. Revenue from rendering of services is recognised overtime as services are provided.

##### ***Initial fees, royalties and exclusivity fees***

The Company recognises the initial fee obtained under the Management Agreements of the 7-Eleven convenience stores upon completion of the required services for the franchisees.

The Company recognises the royalty fee arising from the license for operating its 7-Eleven convenience stores over the period of the Management Agreements.

The Company has agreements with the merchandise suppliers to purchase their products to distribute in the 7-Eleven convenience stores. Under the terms of the agreements, the Company is entitled to charge exclusivity fees for the goods as specified in the agreements. In case of violation or cancellation of the agreements by the Company without reasonable cause, the suppliers have rights to a refund of such exclusivity fees according to the valuation of remaining period. But in case of cancellation of the agreements by the merchandise suppliers, such exclusivity fees are non-refundable. The Company recognises the exclusivity fees as income over the periods of agreements.

##### ***Customer loyalty programmes***

The consideration received are allocated based on the relative stand-alone selling price of the products, and the royalty points or discount from accumulated purchased volume. The amount allocated to the loyalty points or discount from accumulated purchased volume is recognised as contract liabilities and revenue is recognised when the customers redeem or when the likelihood of the customer redeeming becomes remote. The stand-alone selling prices of the loyalty points or discount from accumulated purchased volume is estimated based on discount provided to customers and the likelihood that the customers will redeem, and the estimate shall be reviewed at the end of the reporting period.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

#### *Commission revenue*

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

#### *Accounting policies for revenue recognition in 2018*

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

#### *Sales of goods and rendering of services*

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. The Group will not recognise revenue if there is continuing control or management involvement with the goods sold or there are significant uncertainties regarding the measurement of consideration due and associated costs, or the probable return of goods. Service income is recognised as services are provided.

#### *Initial fees, royalties and exclusivity fees*

The Company recognises the initial fee obtained under the Management Agreements of the 7-Eleven convenience stores upon completion of the required services for the franchisees.

The Company recognises the royalty fee arising from the license for operating its 7-Eleven convenience stores over the period of the Management Agreements.

The Company has agreements with the merchandise suppliers to purchase their products to distribute in the 7-Eleven convenience stores. Under the terms of the agreements, the Company is entitled to charge exclusivity fees for the goods as specified in the agreements. In case of violation or cancellation of the agreements by the Company without reasonable cause, the suppliers have rights to a refund of such exclusivity fees according to the valuation of remaining period. But in case of cancellation of the agreements by the merchandise suppliers, such exclusivity fees are non-refundable. The Company recognises the exclusivity fees as income over the periods of agreements.

#### *Customer loyalty programmes*

The Group has customer loyalty programmes whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products or gift, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

### *Commission revenue*

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

### **(v) Other income**

Other operating income and interest income are recognised in profit or loss on a accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

### **(w) Finance costs**

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.

### **(x) Operating leases**

Payments made under operating leases 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.

### *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.

### **(y) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

# **CP ALL Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2019**

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, 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 a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, 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 assets and liabilities 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.

### **(z) *Earnings per share***

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company less cumulative interest for the year on subordinated perpetual debentures whether it has been accrued or not by the weighted average number of ordinary shares outstanding during the year.

### **(aa) *Related parties***

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

### **(ab) *Segment reporting***

Segment results that are reported to the chairman of the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 4 Related parties

Relationships with subsidiaries are described in note 10 to the financial statements. Relationships with key management and other related parties that the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited ("CPG")	Thailand	Shareholder of the Company, Company under CPG Group and 2 common directors
C.P. Merchandising Co., Ltd.	Thailand	Shareholder of the Company, Company under CPG Group, 1 common director and one of family member of the Company's director is a major shareholder
Charoen Pokphand Foods Public Company Limited	Thailand	Company under CPG Group and 3 common directors
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
SM True Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
True Media Solutions Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
C.P. Consumer Products Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CP-Meiji Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CPF (Thailand) Public Company Limited	Thailand	Company under CPG Group and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group and 1 common director
True Move H Universal Communication Co., Ltd.	Thailand	Company under CPG Group and 1 common director
EGG Digital Co., Ltd.	Thailand	Company under CPG Group and two of family member of the Company's director are major shareholders
True Money Co., Ltd.	Thailand	Company under CPG Group and one of family member of the Company's director is a major shareholder
C.P. Cambodia Co., Ltd.	Cambodia	Company under CPG Group
C.P. Land Public Company Limited	Thailand	Company under CPG Group
C.P. Packaging Industry Co., Ltd.	Thailand	Company under CPG Group
C.P. Tower Growth Leasehold Property Fund	Thailand	Company under CPG Group
Charoen Pokphand Foods Canada Inc.	Canada	Company under CPG Group
CP B&F (Thailand) Company Limited	Thailand	Company under CPG Group
CP B&F Trading Co., Ltd.	Thailand	Company under CPG Group
CPF Food and Beverage Company Limited	Thailand	Company under CPG Group
CPF IT Center Co., Ltd.	Thailand	Company under CPG Group

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Name of parties	Country of incorporation/ nationality	Nature of relationships
CPF Restaurant and Food Chain Company Limited	Thailand	Company under CPG Group
CPF Trading Co., Ltd.	Thailand	Company under CPG Group
International Pet Food Co., Ltd.	Thailand	Company under CPG Group
Real Move Co., Ltd.*	Thailand	Company under CPG Group
True Digital Group Co., Ltd. (formerly "True Digital and Media Platform Co., Ltd.")	Thailand	Company under CPG Group
True Distribution and Sales Co., Ltd.	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group
True United Football Club Co., Ltd.	Thailand	Company under CPG Group
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is major shareholders
Dees Supreme Co., Ltd.	Thailand	Chearavanont family is major shareholders
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director of the Group (whether executive or otherwise)

\* The company was liquidated on 30 September 2019.

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

Transactions	Pricing policies
Sale of goods	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rendering of services and other operating income	Contract prices determined by the terms and conditions used in the normal course of business
Interest income	Source of fund costs plus capital management expenses
Dividend income	Right to receive dividends
Purchase of goods and services	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rental and service fees	Rates advised by the lessors and service providers
Technical service fees	Contract prices determined by the terms and conditions used in the normal course of business
Finance costs	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment and other intangible assets	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Significant transactions for the years ended 31 December 2019 and 2018 with related parties were as follows:

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b><i>Subsidiaries</i></b>				
Revenue from sale of goods and rendering of services	-	-	710	687
Interest income	-	-	297	243
Dividend income	-	-	6,571	6,521
Other income	-	-	1,547	1,429
Distribution costs	-	-	1,699	1,873
Administrative expenses	-	-	3,022	2,811
Finance costs	-	-	18	-
Purchases of goods and services	-	-	27,550	23,948
Purchases of property, plant and equipment and other intangible assets	-	-	3,157	1,993
<b><i>Other related companies</i></b>				
Revenue from sale of goods and rendering of services	1,491	2,081	416	517
Other income	2,077	1,862	2,047	1,733
Distribution costs	134	98	-	-
Administrative expenses	992	835	777	660
Purchases of goods and services	53,592	46,597	36,389	32,800
Purchases of property, plant and equipment and other intangible assets	18	17	-	-
<b><i>Key management personnel</i></b>				
Key management benefit expenses				
Short-term employee benefits	884	717	649	491
Severance pay for employees	53	25	45	19
<b>Total key management benefit expenses</b>	<b>937</b>	<b>742</b>	<b>694</b>	<b>510</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

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

<i>Trade accounts receivable</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Related companies	232	631	-	-
Less allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>232</b>	<b>631</b>	<b>-</b>	<b>-</b>
<b>Bad and doubtful debts expense for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Other receivables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Current</i>				
Subsidiaries	-	-	795	755
Other related companies	839	756	703	552
<b>Total</b>	<b>839</b>	<b>756</b>	<b>1,498</b>	<b>1,307</b>
<i>Non-current</i>				
Subsidiary	-	-	74	104
<b>Total</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>104</b>
<b>Bad and doubtful debts expense for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the year 2008 the Company paid for the prepaid rental and service fees under the terms of lease and service agreements to a local subsidiary (Panyapiwat Institute of Management) for lease of its building spaces for field consultant conferences, trade shows, franchisee conferences and other activities for a period of 15 years, totaling Baht 450 million and were recorded in the accounts "other current receivables" and "other non-current receivables". The Company amortises the prepaid rental and service fees as an expense according to the terms of the agreements (15 years).

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### Short-term loans to subsidiaries

Movements during the years ended 31 December 2019 and 2018 were as follows:

	Interest rate	At	Separate financial statements		At
	At	1 January	Increases	Decreases	31 December
	31 December		(in million Baht)		
	(% per annum)				
<b>2019</b>					
Subsidiaries	4.75	5,850	1,367	(1,100)	6,117
<b>Total</b>		<b>5,850</b>			<b>6,117</b>
<b>2018</b>					
Subsidiaries	4.75	4,700	1,600	(450)	5,850
<b>Total</b>		<b>4,700</b>			<b>5,850</b>

As at 31 December 2019 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

### Investment in related company

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
True GS Co., Ltd.	34	34	34	34
<b>Total</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>

All investment in related company of the Company as at 31 December 2019 and 2018 was denominated entirely in Thai Baht.

### Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Subsidiaries	-	-	2,578	2,355
Other related companies	8,059	7,730	4,524	4,919
<b>Total</b>	<b>8,059</b>	<b>7,730</b>	<b>7,102</b>	<b>7,274</b>

### Other payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Subsidiaries	-	-	10,223	11,122
Other related companies	222	250	57	40
<b>Total</b>	<b>222</b>	<b>250</b>	<b>10,280</b>	<b>11,162</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### Short-term borrowing from subsidiary

Movement during the year ended 31 December 2019 were as follows:

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase (in million Baht)	Decrease	At 31 December
<b>2019</b>					
Subsidiary	4.50	-	700	-	700
<b>Total</b>		-			<b>700</b>

As at 31 December 2019 the outstanding balance of short-term borrowing from the subsidiary was unsecured and at call.

### Future minimum lease payments under non-cancellable operating leases

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Within 1 year	80	211	5	143
After 1 year but within 5 years	127	126	17	-
After 5 years	120	135	-	-
<b>Total</b>	<b>327</b>	<b>472</b>	<b>22</b>	<b>143</b>

The Group has lease agreements covering lease of buildings, vehicles and other assets for periods of 1 to 25 years, which will expire between 2020 to 2048.

### Significant agreements with related parties

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

- The Company has a service agreement with Charoen Pokphand Group Company Limited, a shareholder of the Company, covering technical advisory, management, technical assistances and right to use the trademark and services of the shareholder for a period of 1 year ending in December 2020. In consideration thereof, the Company agreed to pay a monthly service fee to the shareholder totaling Baht 1.58 million.
- The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 5 years ending in December 2024. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2020. In consideration thereof, the subsidiary agreed to pay an annual service fee to the Company at the amount stipulated in the agreement.
- (g) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 12.8 million, and placed guarantee deposits with the related company totaling Baht 38.6 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until July 2022.
- (h) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. ("the service provider"), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2020. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to manage customer loyalty programme. In consideration thereof, the Company agreed to pay monthly service fees to the subsidiary totaling Baht 0.3 million. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (j) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to manage points for customer loyalty programme. In consideration thereof, the Company agreed to pay a monthly service fee to the subsidiary of Baht 0.3 million. The agreement is for a period of 3 years and are renewable for additional periods of 3 years. If either party has no intention to renew the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

- (k) The Company has service agreements with Siam Makro Public Company Limited, a local subsidiary, as well as, Makro (Cambodia) Company Limited, ARO Commercial Company Limited, Guangzhou Huadu Makro Food Supermarket Company Limited and Makro (Guangzhou) Food Company Limited, foreign subsidiaries. Under the terms of these agreements, the Company agreed to grant the right to use certain trademarks under conditions stipulated in the agreements. In consideration thereof, the subsidiaries are committed to pay a fee, calculated as a percentage of their sales, to the Company as stipulated in the agreements. These agreements are effective for periods of 1 year to 4 years, and will expire on various dates until December 2024.
- (l) A local subsidiary (Siam Makro Public Company Limited) has lease and service agreements with CP Retailink Co., Ltd., a local subsidiary ("the party"). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 1 year and 3 years, and will expire on various dates until December 2022.

## 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cash on hand	10,884	16,399	8,959	13,148
Cash at financial institutions				
- current accounts	5,403	2,953	4,295	1,664
Cash at financial institutions				
- savings accounts	11,407	13,633	4,641	7,800
Highly liquid short-term investments	2,167	1,038	-	-
<b>Total</b>	<b>29,861</b>	<b>34,023</b>	<b>17,895</b>	<b>22,612</b>

## 6 Current investments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cash at financial institutions				
- time deposits	249	97	-	-
Promissory notes	410	1,370	-	-
<b>Total</b>	<b>659</b>	<b>1,467</b>	<b>-</b>	<b>-</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Movements during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	1,467	1,385	-	-
Increases	766	1,956	-	-
Decreases	(1,571)	(1,872)	-	-
Unrealised loss on exchange rates from translation of outstanding foreign current investments balance to Thai Baht	-	(1)	-	-
Exchange differences on translating financial statements	(3)	(1)	-	-
<b>At 31 December</b>	<b>659</b>	<b>1,467</b>	<b>-</b>	<b>-</b>

## 7 Trade accounts receivable

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
<b>Related parties</b>					
Within credit terms		151	577	-	-
Overdue:					
Less than 3 months		55	36	-	-
3 - 6 months		6	16	-	-
6 - 12 months		20	-	-	-
Over 12 months		-	2	-	-
<b>Total</b>		<b>232</b>	<b>631</b>	<b>-</b>	<b>-</b>
Less allowance for doubtful accounts		-	-	-	-
<b>Net</b>	<b>4</b>	<b>232</b>	<b>631</b>	<b>-</b>	<b>-</b>
<b>Other parties</b>					
Within credit terms		1,041	1,008	116	66
Overdue:					
Less than 3 months		419	351	-	-
3 - 6 months		27	50	-	-
6 - 12 months		20	12	-	-
Over 12 months		23	18	-	-
<b>Total</b>		<b>1,530</b>	<b>1,439</b>	<b>116</b>	<b>66</b>
Less allowance for doubtful accounts		(44)	(30)	-	-
<b>Net</b>		<b>1,486</b>	<b>1,409</b>	<b>116</b>	<b>66</b>
<b>Grand total</b>		<b>1,718</b>	<b>2,040</b>	<b>116</b>	<b>66</b>
<b>Bad and doubtful debts expense for the year</b>		<b>21</b>	<b>7</b>	<b>-</b>	<b>-</b>

The normal credit term granted by the Group ranges from 7 days to 90 days.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
<b>Related parties</b>	<b>4</b>	<b>839</b>	<b>756</b>	<b>1,572</b>	<b>1,411</b>
<b>Other parties</b>					
Accrued income		3,602	3,271	1,530	1,429
Prepaid expenses		2,459	2,330	1,261	1,288
Other receivables		1,848	1,815	1,687	1,689
Receivable from Revenue Department		483	478	224	228
Other		109	185	1	4
		<b>8,501</b>	<b>8,079</b>	<b>4,703</b>	<b>4,638</b>
<b>Total</b>		<b>9,340</b>	<b>8,835</b>	<b>6,275</b>	<b>6,049</b>
Less allowance for doubtful accounts		(35)	(30)	(15)	(13)
<b>Net</b>		<b>9,305</b>	<b>8,805</b>	<b>6,260</b>	<b>6,036</b>
Current		7,729	7,407	5,174	4,929
Non-current		1,576	1,398	1,086	1,107
<b>Total</b>		<b>9,305</b>	<b>8,805</b>	<b>6,260</b>	<b>6,036</b>
<b>Bad and doubtful debts expense for the year</b>		<b>12</b>	<b>8</b>	<b>10</b>	<b>7</b>

The normal credit term granted by the Group ranges from 7 days to 90 days.

### 9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Finished goods	30,635	28,760	14,850	13,625
Work in progress	108	105	-	-
Raw materials	605	542	-	-
Goods in transit	612	607	-	-
<b>Total</b>	<b>31,960</b>	<b>30,014</b>	<b>14,850</b>	<b>13,625</b>
Less allowance for losses on decline in value of inventories	(422)	(444)	(166)	(166)
<b>Net</b>	<b>31,538</b>	<b>29,570</b>	<b>14,684</b>	<b>13,459</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

The cost of inventories which is recognised as an expense and presented as part of the account “Cost of sale of goods and rendering of services” consisted of:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cost of inventories	422,869	391,148	240,212	223,032
Reversal of allowance for losses on decline in value of inventories	(22)	(253)	-	(233)
<b>Total</b>	<b>422,847</b>	<b>390,895</b>	<b>240,212</b>	<b>222,799</b>

The cost of inventories which is recognised as an expense and presented as part of the account “Distribution costs” in the statements of income for the year ended 31 December 2019 amounted to Baht 2,720 million (2018: Baht 2,267 million) in the consolidated financial statements, and Baht 2,709 million (2018: Baht 2,257 million) in the separate financial statements.

## 10 Investments in subsidiaries

Movements during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	-	-	197,610	206,833
Increases	-	-	1,917	1
Decrease	-	-	-	(9,224)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>199,527</b>	<b>197,610</b>

Details of the increases (decrease) in investments in subsidiaries during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Lotus Distribution Investment Limited	-	-	1,129	-
Thai Smart Card Co., Ltd.	-	-	788	-
ALL Wellness Co., Ltd.	-	-	-	1
Siam Makro Public Company Limited	-	-	-	(9,224)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,917</b>	<b>(9,223)</b>

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

#### *Additional investment*

##### *Lotus Distribution Investment Limited*

During the second quarter of 2019, a foreign subsidiary (Lotus Distribution Investment Limited) collected from the called for additional paid-up share capital of United States Dollars 36 million; from United States Dollars 244 million to United States Dollars 280 million.

##### *ALL Wellness Co., Ltd.*

On 9 August 2018, the Company's Board of Directors approved to set up a local subsidiary (ALL Wellness Co., Ltd.) of which its 99.99% ownership interest was held by the Company. The subsidiary has an initial authorised share capital of Baht 1 million and called for fully paid-up share capital. The registration was completed in August 2018.

#### *Changes in ownership interests in subsidiaries without a change in control*

##### *Thai Smart Card Co., Ltd.*

During the first quarter of 2019, the company acquired ordinary shares from shareholders totaling 30,745,600 shares equally to 19.21% of total issued and paid-up shares of a local subsidiary (Thai Smart Card Co., Ltd.) at the price of Baht 18 per share, totaling Baht 554 million in cash, increasing its ownership interest from 72.64% to 91.85%, and during the second quarter of 2019, the Company acquired ordinary shares from shareholders totaling 13,035,000 shares equally to 8.15% of total issued and paid-up shares of the subsidiary at the price of Baht 18 per share, totaling Baht 234 million in cash, increasing its ownership interest from 91.85% to 100%. The Company subsequently disposed 2 shares to two minor shareholders equally to 0.01% of total issued and paid-up shares of the subsidiary, reducing its ownership interest from 100% to 99.99%. The Group recognised a decrease in non-controlling interests of Baht 406 million and deficit from changes in ownership interest in subsidiary of Baht 382 million.

##### *Siam Makro Public Company Limited*

On 28 March 2018 ("the date of sale"), the Company had partially disposed 4.80% of total issued and paid-up ordinary shares of a local subsidiary (Siam Makro Public Company Limited) for Baht 10,131 million in cash, reducing its ownership interest from 97.88% to 93.08% without a change in control over the subsidiary. The Group recognised an increase in non-controlling interests of Baht 9,897 million and surplus from changes in ownership interest in subsidiary of Baht 81 million, net of disposal cost of Baht 106 million and income tax expense of Baht 47 million. The Company had the gain on sale of investment in the separate financial statements of totaling Baht 907 million.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2019

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of operation	Separate financial statements						Dividend income for the year	
			Ownership interests		Paid-up capital		At cost			
			2019	2018	2019	2018	2019	2018	2019	2018
<i>Local direct subsidiaries</i>										
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	100	94
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	Bill payment services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	100	100	91	91	980	1,000
All Corporation Limited	Holding company	Thailand	99.99	99.99	50	50	50	50	-	-
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	375	300
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	250	-
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	200	400

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Name of parties	Type of business	Country of operation	Ownership interests		Separate financial statement (Continued)				Dividend income for the year	
					Paid-up capital		At cost			
			2019	2018	2019	2018	2019	2018	2019	2018
			(%)				(in million Baht)			
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	1,294	1,318
ALL Now Management Co., Ltd. (formerly ("Dynamic Management Co., Ltd."))	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	100	-
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	230	220
ALL Wellness Co., Ltd.	Digital innovation healthcare services and consultation by medical specialists	Thailand	99.99	99.99	1	1	1	1	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	5	10
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	40	30
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	99.99	72.64	1,600	1,600	1,939	1,151	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	1,243	1,266
Siam Makro Public Company Limited	Cash and carry	Thailand	38.07	38.07	2,400	2,400	73,203	73,203	1,754	1,883
<b>Total</b>							<b>190,013</b>	<b>189,225</b>	<b>6,571</b>	<b>6,521</b>



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### Separate financial statements (Continued)

Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital		At cost		Dividend income for the year	
			2019	2018	2019	2018	2019	2018	2019	2018
			(%)		(in million United States Dollars)		(in million Baht)			
<b>Foreign direct subsidiaries</b>										
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	280	244	9,514	8,385	-	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	-*	-*	-*	-*	-	-
<b>Total</b>							<b>9,514</b>	<b>8,385</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>							<b>199,527</b>	<b>197,610</b>	<b>6,571</b>	<b>6,521</b>

\* As at 31 December 2019 Albuera International Limited ("Albuera") had paid-up capital amounting to United States Dollar 1 and the Company invested in Albuera amounting to United States Dollar 1.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Details of the Company's indirect subsidiaries as at 31 December 2019 and 2018 were as follows:

Name of parties	Type of business	Country of operation	Ownership interests	
			2019	2018
(%)				
<b><i>Local indirect subsidiaries</i></b>				
ALL NOW LOGISTICS CO., LTD.	Parcel and express delivery services	Thailand	99.99	-
CP Foodlab Co., Ltd.	Research and development service, and microbiologic and scientific laboratory services	Thailand	99.99	99.99
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Institute of Management Demonstration School	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Makro ROH Co., Ltd.	Providing technical and supporting services to the Group	Thailand	93.07	93.07
ProMart Co., Ltd.	Trading of non-food products	Thailand	93.07	93.07
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and providing freight, delivery rental and storage services	Thailand	93.07	93.07
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Name of parties	Type of business	Country of operation	Ownership interests 2019 2018 (%)	
<i>Foreign indirect subsidiaries</i>				
Nanjing Tech University Pujiang Institute	Educational institution	The People’s Republic of China	100.00	100.00
Nanjing Tech University Pujiang Institute Educational Development Fund	Educational development fund	The People’s Republic of China	100.00	100.00
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding of educational institution	The People’s Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People’s Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People’s Republic of China	100.00	100.00
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People’s Republic of China	100.00	100.00
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	93.08	93.08
ARO Commercial Company Limited	Wholesale and retail operator and related business	Republic of the Union of Myanmar	93.07	93.07
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	93.07	93.07
CP Wholesale India Private Limited	Wholesale and related business	India	93.06	93.06
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	93.06	93.06

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Name of parties	Type of business	Country of operation	Ownership interests 2019      2018 (%)	
<i>Foreign indirect subsidiaries (Continued)</i>				
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	93.06	-
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	74.46	74.46
Indoguna Dubai L.L.C*	Importing and trading of food related products	United Arab Emirates	74.46	74.46
Indoguna Lordly Company Limited	Manufacturing, trading, importing and exporting of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	74.46	74.46
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	74.46	74.46
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C*	Restaurant and minimart	United Arab Emirates	74.46	74.46
Indoguna (Cambodia) Company Limited	Importing and trading of food related products	Cambodia	65.15	65.15
Makro (Cambodia) Company Limited	Wholesale and retail operator and related business	Cambodia	65.15	65.15

\* The Group interest is 74.46% after taking account of nominee holdings. (2018: 74.46%)

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**11 Non-controlling interests**

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest:

	<b>31 December 2019</b>
	Siam Makro Public Company Limited (in million Baht)
Non-controlling interests percentage	6.92
Current assets	23,333
Non-current assets	39,308
Current liabilities	(32,749)
Non-current liabilities	(9,158)
<b>Net assets</b>	<b>20,734</b>
Carrying amount of non-controlling interests	11,883*
Intra-group eliminations	-
Fair value adjustment	2,746
<b>Total</b>	<b>14,629</b>
Revenue	210,627
Profit	6,185
Other comprehensive income	(147)
<b>Total comprehensive income</b>	<b>6,038</b>
Profit allocated to non-controlling interests	372*
Intra-group eliminations	1
Fair value adjustment	(22)
<b>Total</b>	<b>351</b>
Other comprehensive income allocated to non-controlling interests	(33)*
Intra-group eliminations	-
Fair value adjustment	-
<b>Total</b>	<b>(33)</b>
Cash flows from operating activities	10,270
Cash flows from investing activities	(3,130)
Cash flows from financing activities	(7,083)
Dividends to non-controlling interests	(319)
Exchange differences on translating financial statements	(33)
<b>Net decrease in cash and cash equivalents</b>	<b>(295)</b>

\* The carrying amount of non-controlling interests included non-controlling interests of indirect subsidiaries. These indirect subsidiaries are not wholly-owned by the intermediate subsidiary.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

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	31 December 2018		
	Siam Makro Public Company Limited	Thai Smart Card Co., Ltd. <i>(in million Baht)</i>	Total
Non-controlling interests percentages	6.92	27.36	
Current assets	22,999	2,235	
Non-current assets	39,067	237	
Current liabilities	(34,094)	(963)	
Non-current liabilities	(8,715)	(23)	
<b>Net assets</b>	<b>19,257</b>	<b>1,486</b>	
Carrying amount of non-controlling interests	11,826*	407	12,233
Intra-group eliminations			(1)
Fair value adjustment			2,756
<b>Total</b>			<b>14,988</b>
Revenue	192,930	304	
Profit	5,873	30	
Other comprehensive income	(164)	(1)	
<b>Total comprehensive income</b>	<b>5,709</b>	<b>29</b>	
Profit allocated to non-controlling interests	264*	8	272
Intra-group eliminations			(1)
Fair value adjustment			(18)
<b>Total</b>			<b>253</b>
Other comprehensive income allocated to non-controlling interests	(14)*	-	(14)
Intra-group eliminations			-
Fair value adjustment			-
<b>Total</b>			<b>(14)</b>
Cash flows from operating activities	6,154	56	
Cash flows from investing activities	(2,866)	(52)	
Cash flows from financing activities	(2,221)	-	
Dividends to non-controlling interests	(190)	-	
Exchange differences on translating financial statements	(142)	-	
<b>Net increase in cash and cash equivalents</b>	<b>735</b>	<b>4</b>	

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

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### 12 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	
<i>Cost</i>							
At 1 January 2018	41,771	49,047	37,988	17,569	5,276	7,499	159,150
Additions	1,089	428	3,043	2,276	8,124	200	15,160
Transfers	-	3,505	1,086	120	(5,261)	550	-
Disposals	(3)	(1,239)	(1,142)	(1,428)	(2)	(252)	(4,066)
Exchange differences on translating financial statements	-	(190)	(15)	(16)	(197)	(4)	(422)
<b>At 31 December 2018 and 1 January 2019</b>	<b>42,857</b>	<b>51,551</b>	<b>40,960</b>	<b>18,521</b>	<b>7,940</b>	<b>7,993</b>	<b>169,822</b>
Additions	306	345	3,288	2,785	8,969	285	15,978
Transfers	75	5,460	1,517	253	(8,446)	1,141	-
Disposals	(67)	(859)	(1,151)	(1,778)	(3)	(192)	(4,050)
Exchange differences on translating financial statements	-	(290)	(45)	(29)	(342)	(8)	(714)
<b>At 31 December 2019</b>	<b>43,171</b>	<b>56,207</b>	<b>44,569</b>	<b>19,752</b>	<b>8,118</b>	<b>9,219</b>	<b>181,036</b>

**CP ALL Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2019**

	Consolidated financial statements <i>(Continued)</i>						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	Total
<i>Accumulated depreciation and accumulated impairment losses</i>							
At 1 January 2018	-	(16,447)	(21,955)	(10,163)	(2)	(4,189)	(52,756)
Depreciation charge for the year	-	(2,377)	(4,052)	(2,344)	-	(734)	(9,507)
Impairment losses	-	(1)	(2)	(7)	-	-	(10)
Reversal of impairment losses	-	-	-	-	2	-	2
Disposals	-	1,062	1,096	1,311	-	241	3,710
Exchange differences on translating financial statements	-	15	6	4	-	1	26
<b>At 31 December 2018 and 1 January 2019</b>	-	<b>(17,748)</b>	<b>(24,907)</b>	<b>(11,199)</b>	-	<b>(4,681)</b>	<b>(58,535)</b>
Depreciation charge for the year	-	(2,498)	(4,367)	(2,495)	-	(806)	(10,166)
Impairment losses	-	(1)	(1)	-	-	-	(2)
Reversal of impairment losses	-	-	-	6	-	-	6
Disposals	-	681	1,111	1,713	-	180	3,685
Exchange differences on translating financial statements	-	30	15	9	-	4	58
<b>At 31 December 2019</b>	-	<b>(19,536)</b>	<b>(28,149)</b>	<b>(11,966)</b>	-	<b>(5,303)</b>	<b>(64,954)</b>
<i>Net book value</i>							
At 1 January 2018	<u>41,771</u>	<u>32,600</u>	<u>16,033</u>	<u>7,406</u>	<u>5,274</u>	<u>3,310</u>	<u>106,394</u>
At 31 December 2018 and 1 January 2019	<u>42,857</u>	<u>33,803</u>	<u>16,053</u>	<u>7,322</u>	<u>7,940</u>	<u>3,312</u>	<u>111,287</u>
At 31 December 2019	<u>43,171</u>	<u>36,671</u>	<u>16,420</u>	<u>7,786</u>	<u>8,118</u>	<u>3,916</u>	<u>116,082</u>



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	<b>Separate financial statements</b>						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	Total
<b>Cost</b>							
At 1 January 2018	3,085	21,117	13,274	14,896	930	6,197	59,499
Additions	837	209	1,878	2,174	3,457	133	8,688
Transfers	-	2,409	15	22	(2,898)	452	-
Disposals	(1)	(1,149)	(718)	(1,273)	-	(225)	(3,366)
<b>At 31 December 2018 and 1 January 2019</b>	<b>3,921</b>	<b>22,586</b>	<b>14,449</b>	<b>15,819</b>	<b>1,489</b>	<b>6,557</b>	<b>64,821</b>
Additions	237	142	1,995	2,739	5,200	206	10,519
Transfers	-	3,712	76	165	(4,748)	795	-
Disposals	(67)	(825)	(706)	(1,608)	-	(156)	(3,362)
<b>At 31 December 2019</b>	<b>4,091</b>	<b>25,615</b>	<b>15,814</b>	<b>17,115</b>	<b>1,941</b>	<b>7,402</b>	<b>71,978</b>
<b>Accumulated depreciation and accumulated impairment losses</b>							
At 1 January 2018	-	(8,900)	(8,884)	(9,756)	-	(3,665)	(31,205)
Depreciation charge for the year	-	(1,450)	(1,652)	(1,985)	-	(617)	(5,704)
Disposals	-	989	694	1,172	-	217	3,072
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>(9,361)</b>	<b>(9,842)</b>	<b>(10,569)</b>	<b>-</b>	<b>(4,065)</b>	<b>(33,837)</b>
Depreciation charge for the year	-	(1,500)	(1,778)	(2,130)	-	(683)	(6,091)
Disposals	-	665	689	1,548	-	144	3,046
<b>At 31 December 2019</b>	<b>-</b>	<b>(10,196)</b>	<b>(10,931)</b>	<b>(11,151)</b>	<b>-</b>	<b>(4,604)</b>	<b>(36,882)</b>
<b>Net book value</b>							
At 1 January 2018	3,085	12,217	4,390	5,140	930	2,532	28,294
At 31 December 2018 and 1 January 2019	3,921	13,225	4,607	5,250	1,489	2,492	30,984
At 31 December 2019	4,091	15,419	4,883	5,964	1,941	2,798	35,096

# CP ALL Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

As at 31 December 2019 the Group had assets under finance leases with a net book value amounting to Baht 522 million (2018: Baht 618 million.)

### Security

As at 31 December 2019, the Group's vehicles with total net book value of Baht 5 million (2018: Baht 2 million) were pledged under long-term borrowings from financial institution.

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2019 amounted to Baht 26,734 million (2018: Baht 24,807 million) in the consolidated financial statements and Baht 15,883 million (2018: Baht 15,138 million) in the separate financial statements respectively.

## 13 Goodwill

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
<i>As at 31 December</i>				
Cost	128,096	128,096	-	-
Less impairment loss	-	-	-	-
<b>Net book value</b>	<b>128,096</b>	<b>128,096</b>	<b>-</b>	<b>-</b>

Most of the Goodwill arose from the Company's purchase of shares of Siam Makro Public Company Limited both directly and indirectly, and arose from Siam Makro Public Company Limited's purchase of shares at 80% shareholding each of 4 companies, namely Indoguna (Singapore) Pte Ltd, Indoguna Dubai L.L.C, Just Meat Company Limited and Indoguna Lordly Company Limited (together referred to as "Indoguna Group of companies").

### Impairment testing for cash-generating units ("CGUs") containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Siam Makro Public Company Limited	125,936	125,936	-	-
Indoguna Group of companies	2,023	2,023	-	-
Other	137	137	-	-
<b>Total</b>	<b>128,096</b>	<b>128,096</b>	<b>-</b>	<b>-</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### *Impairment testing for carrying amount of goodwill and other intangible assets with indefinite useful life*

The recoverable amount was measured on its value in use, determined by discounting future cash flows to be generated from the going concern of Siam Makro Public Company Limited and of Indoguna Group of companies.

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were as follows:

#### *Discount rate*

The discount rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of 10-year government bond, market risk premium and average industry beta.

#### *Terminal value growth rate*

Terminal value growth rate was determined based on average gross domestic product ("GDP") growth rate, inflation rates and growth rates of historical earnings before interest, income tax, depreciation and amortisation ("EBITDA") of Siam Makro Public Company Limited, and of Indoguna Group of companies.

#### *Budgeted EBITDA growth rate*

Budgeted EBITDA growth rate was based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected from past experience and estimate number of new stores, sale growth of new stores and sale growth of same stores of Siam Makro Public Company Limited. Indoguna Group of companies would develop and maintain their customer satisfaction by rendering high quality products, new product development, and maintenance customer relationship.

Management has identified that a reasonably possible change in two key assumptions, discount rate and budgeted EBITDA growth rate, which in 2019 if discount rate increases by 1.5% (2018: 1.8%) or budgeted EBITDA growth rate decreases by 5.3% (2018: 6.7%) could cause the recoverable amount to be equal to the carrying amount.

Based on the impairment testing, the recoverable amount of CGU was estimated to be higher than its carrying amount and no impairment was required to these financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 14 Other intangible assets

	Consolidated financial statements			
	Computer software in use and under development	Intellectual property	Other	Total
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January 2018	5,374	46,521	2,232	54,127
Additions	883	-	-	883
Transfers	(10)	-	10	-
Disposals	(4)	-	-	(4)
Exchange differences on translating financial statements	(1)	-	(60)	(61)
<b>At 31 December 2018 and 1 January 2019</b>	<b>6,242</b>	<b>46,521</b>	<b>2,182</b>	<b>54,945</b>
Additions	799	-	-	799
Transfers	(3)	-	3	-
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	(15)	-	(84)	(99)
<b>At 31 December 2019</b>	<b>7,022</b>	<b>46,521</b>	<b>2,101</b>	<b>55,644</b>
<b>Accumulated amortisation and accumulated impairment losses</b>				
At 1 January 2018	(2,139)	-	(739)	(2,878)
Amortisation charge for the year	(470)	-	(168)	(638)
Reversal of impairment losses	3	-	-	3
Disposals	2	-	-	2
Exchange differences on translating financial statements	1	-	-	1
<b>At 31 December 2018 and 1 January 2019</b>	<b>(2,603)</b>	<b>-</b>	<b>(907)</b>	<b>(3,510)</b>
Amortisation charge for the year	(579)	-	(168)	(747)
Impairment losses	(7)	-	-	(7)
Disposals	1	-	-	1
Exchange differences on translating financial statements	3	-	-	3
<b>At 31 December 2019</b>	<b>(3,185)</b>	<b>-</b>	<b>(1,075)</b>	<b>(4,260)</b>
<b>Net book value</b>				
At 1 January 2018	3,235	46,521	1,493	51,249
At 31 December 2018 and 1 January 2019	3,639	46,521	1,275	51,435
At 31 December 2019	3,837	46,521	1,026	51,384

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	<b>Separate Financial statements</b> Computer software in use and under development (in million Baht)
<i>Cost</i>	
At 1 January 2018	2,511
Additions	292
Disposals	(1)
<b>At 31 December 2018 and 1 January 2019</b>	<b>2,802</b>
Additions	548
<b>At 31 December 2019</b>	<b>3,350</b>
<i>Accumulated amortisation</i>	
At 1 January 2018	(1,182)
Amortisation charge for the year	(227)
Disposals	1
<b>At 31 December 2018 and 1 January 2019</b>	<b>(1,408)</b>
Amortisation charge for the year	(253)
<b>At 31 December 2019</b>	<b>(1,661)</b>
<i>Net book value</i>	
At 1 January 2018	1,329
<b>At 31 December 2018 and 1 January 2019</b>	<b>1,394</b>
<b>At 31 December 2019</b>	<b>1,689</b>

The gross amount of the Group's and the Company's fully amortised other intangible assets that were still in use as at 31 December 2019 amounted to Baht 2,111 million (2018: Baht 1,763 million) in the consolidated financial statements and Baht 1,481 million (2018: Baht 1,290 million) in the separate financial statements respectively.

## 15 Interest-bearing liabilities

	<b>Consolidated financial statements</b>					
	2019			2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in million Baht)					
Short-term borrowings from financial institutions						
Promissory notes	-	171	171	-	2,903	2,903
Liabilities under trust receipts	-	607	607	-	618	618
Short-term borrowings	-	2,549	2,549	-	62	62
Short-term borrowings from other parties	-	14	14	-	-	-
Debentures	68,785	64,099	132,884	85,878	55,000	140,878
Long-term borrowings from financial institutions	1,838	7,000	8,838	2,104	7,000	9,104
Finance lease liabilities	641	-	641	698	-	698
<b>Total interest-bearing liabilities</b>	<b>71,264</b>	<b>74,440</b>	<b>145,704</b>	<b>88,680</b>	<b>65,583</b>	<b>154,263</b>

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	<i>Note</i>	<b>Separate financial statements</b>				
		Secured	2019 Unsecured	Total (in million Baht)	Secured	2018 Unsecured Total
Short-term borrowings from financial institutions		-	2,500	2,500	-	-
Short-term borrowing from subsidiary	4	-	700	700	-	-
Debentures		68,785	64,099	132,884	85,878	55,000
<b>Total interest-bearing liabilities</b>		<b>68,785</b>	<b>67,299</b>	<b>136,084</b>	<b>85,878</b>	<b>140,878</b>

***Unutilised credit facilities***

As at 31 December 2019 the Group had unutilised credit facilities totaling Baht 882 million and Singapore Dollar 0.5 million (2018: Baht 902 million and Singapore Dollar 0.5 million).

***Short-term borrowings from financial institutions***

Movements during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	3,583	4,326	-	-
(Decreases) increases	(235)	(743)	2,500	-
Exchange differences on translating financial statements	(21)	-	-	-
<b>At 31 December</b>	<b>3,327</b>	<b>3,583</b>	<b>2,500</b>	<b>-</b>

***Short-term borrowings from other parties***

Movements during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	15	-	-	-
Exchange differences on translating financial statements	(1)	-	-	-
<b>At 31 December</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>

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***Debentures***

Movements during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	140,878	155,625	140,878	155,625
Increases	15,000	-	15,000	-
Decreases	(22,994)	(14,747)	(22,994)	(14,747)
<b>At 31 December</b>	<b><u>132,884</u></b>	<b><u>140,878</u></b>	<b><u>132,884</u></b>	<b><u>140,878</u></b>

***Debentures 1/2013***

On 31 October 2013 the Company issued Baht 50,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 7 years of Baht 10,790 million, fully repayable on 31 October 2020 and bearing interest at the fixed rate of 5.10% per annum
- Debentures term of 10 years of Baht 15,122 million, fully repayable on 31 October 2023 and bearing interest at the fixed rate of 5.35% per annum

These series of debentures have a credit rating of “A(tha)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013.

***Debentures 1/2014***

On 27 March 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021 and bearing interest at the fixed rate of 4.85% per annum
- Debentures term of 10 years of Baht 15,314 million, fully repayable on 27 March 2024 and bearing interest at the fixed rate of 5.14% per annum

These series of debentures have a credit rating of “A(tha)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014.

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#### ***Debentures 2/2014***

On 22 August 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 7 years of Baht 7,520 million, fully repayable on 22 August 2021 and bearing interest at the fixed rate of 4.75% per annum (On 17 November 2017, debentures of Baht 4,284 million are early redeemed and paid.)
- Debentures term of 10 years of Baht 16,651 million, fully repayable on 22 August 2024 and bearing interest at the fixed rate of 5.05% per annum (On 22 August 2017, debentures of Baht 6,212 million are early redeemed and paid.)

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 22 August 2014.

#### ***Debentures 3/2014***

On 26 December 2014 the Company issued Baht 10,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions. Outstanding balance as at 31 December 2019 was as follows:

- Debentures term of 12 years of Baht 4,000 million, fully repayable on 26 December 2026 and bearing interest at the fixed rate of 4.80% per annum

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 December 2014.

#### ***Debentures 2/2015***

On 30 June 2015 the Company issued Baht 13,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 5 years of Baht 1,500 million, fully repayable on 30 June 2020 and bearing interest at the fixed rate of 3.65% per annum
- Debentures term of 7 years of Baht 3,000 million, fully repayable on 30 June 2022 and bearing interest at the fixed rate of 4.10% per annum
- Debentures term of 10 years of Baht 6,000 million, fully repayable on 30 June 2025 and bearing interest at the fixed rate of 4.45% per annum

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 30 June 2015.



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#### ***Debentures 1/2016***

On 18 March 2016 the Company issued Baht 7,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 5 years of Baht 1,382 million, fully repayable on 18 March 2021 and bearing interest at the fixed rate of 2.95% per annum
- Debentures term of 7 years of Baht 937 million, fully repayable on 18 March 2023 and bearing interest at the fixed rate of 3.40% per annum
- Debentures term of 10 years of Baht 2,074 million, fully repayable on 18 March 2026 and bearing interest at the fixed rate of 4.00% per annum
- Debentures term of 12 years of Baht 2,607 million, fully repayable on 18 March 2028 and bearing interest at the fixed rate of 4.15% per annum

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 March 2016.

#### ***Debentures 2/2016***

On 26 August 2016 the Company issued Baht 12,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 7 years of Baht 500 million, fully repayable on 26 August 2023 and bearing interest at the fixed rate of 3.25% per annum
- Debentures term of 10 years of Baht 748 million, fully repayable on 26 August 2026 and bearing interest at the fixed rate of 3.68% per annum
- Debentures term of 12 years of Baht 4,851 million, fully repayable on 26 August 2028 and bearing interest at the fixed rate of 4.00% per annum

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 August 2016.

#### ***Debentures 1/2017***

On 27 March 2017 the Company issued Baht 4,500 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. Debentures were with term of 12 years and fully repayable on 27 March 2029, which bear interest at the fixed rate of 4.70% per annum.

These debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2017.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

#### ***Debentures 2/2017***

On 18 August 2017 the Company issued Baht 3,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures. Debentures were with term of 10 years and fully repayable on 18 August 2027, which bear interest at the fixed rate of 3.96% per annum.

These debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 6 November 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 August 2017.

#### ***Debentures 3/2017***

On 15 November 2017 and 30 November 2017 the Company issued Baht 18,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to early redemption of debentures. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 5 years of Baht 9,000 million, fully repayable on 30 November 2022 and bearing interest at the fixed rate of 3.10% per annum
- Debentures term of 10 years of Baht 9,000 million, fully repayable on 15 November 2027 and bearing interest at the fixed rate of 3.50% per annum

These series of debentures have a credit rating of “AA-” latest updated by TRIS Ratings (Thailand) Limited on 10 July 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 15 November 2017 and 30 November 2017.

#### ***Debentures 1/2019***

On 18 January 2019 the Company issued Baht 15,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital. Outstanding balances as at 31 December 2019 were as follows:

- Debentures term of 3 years of Baht 5,000 million, fully repayable on 18 January 2022 and bearing interest at the fixed rate of 2.86% per annum
- Debentures term of 8 years of Baht 2,466 million, fully repayable on 18 January 2027 and bearing interest at the fixed rate of 3.95% per annum
- Debentures term of 10 years of Baht 1,920 million, fully repayable on 18 January 2029 and bearing interest at the fixed rate of 4.12% per annum
- Debentures term of 12 years of Baht 5,614 million, fully repayable on 18 January 2031 and bearing interest at the fixed rate of 4.40% per annum

These series of debentures have a credit rating of “AA-” latest updated by TRIS Ratings (Thailand) Limited on 10 July 2019 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 January 2019.

The Company must comply with the specific covenants such as to maintain net debt to equity ratio in the annual consolidated financial statements through the terms of debentures, and to pledge Siam Makro Public Company Limited shares, etc.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Siam Makro Public Company Limited shares as at 31 December 2019, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 1,765 million shares. The fair value of those shares totaled Baht 54,702 million.

### Long-term borrowings from financial institutions

Movements during the years ended 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
At 1 January	9,104	6,281	-	-
Increases	3	5,002	-	-
Decreases	(87)	(2,047)	-	-
Exchange differences on translating financial statements	(182)	(132)	-	-
<b>At 31 December</b>	<b>8,838</b>	<b>9,104</b>	<b>-</b>	<b>-</b>

As at 31 December 2019 the Group had unsecured long-term borrowings agreements with a local branch of a foreign financial institution and a local financial institution, and had a secured long-term borrowings agreement with a foreign financial institution. Details are as follows:

Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	Baht 3,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2021
The second agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in September 2021
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022
The fifth agreement	China Renminbi 450 million (or equivalent to approximately Baht 1,942 million)	Floating interest rate as stipulated in the agreement	Semi-annually installment due to May 2026

In this regard, certain foreign subsidiaries issued the letters of guarantee for the fifth long-term borrowing agreement.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

The Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio, total debts to total assets ratio and the shareholdings of the Company in a local subsidiary as stipulated in the agreements, etc.

### Finance lease liabilities

Movements during the years ended 31 December 2019 and 2018 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
At 1 January		698	806	-	-
Purchase of assets under finance leases	30	14	13	-	-
Payment for reduction of the outstanding liabilities relating to a finance lease		(124)	(184)	-	-
Finance costs under finance lease contracts	25	53	63	-	-
<b>At 31 December</b>		<b>641</b>	<b>698</b>	<b>-</b>	<b>-</b>

Details of finance lease liabilities as at 31 December 2019 and 2018 were as follows:

Consolidated financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in million Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Maturity period:						
Within 1 year	139	(47)	92	159	(53)	106
1 - 5 years	445	(113)	332	475	(134)	341
After 5 years	265	(48)	217	313	(62)	251
<b>Total</b>	<b>849</b>	<b>(208)</b>	<b>641</b>	<b>947</b>	<b>(249)</b>	<b>698</b>

As at 31 December 2019 the Group entered into finance lease contracts. Under the terms of the contracts, the Group must comply with certain conditions as stipulated in the contracts.

## 16 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Related parties	4	8,059	7,730	7,102	7,274
Other parties		70,491	71,060	34,230	34,169
<b>Total</b>		<b>78,550</b>	<b>78,790</b>	<b>41,332</b>	<b>41,443</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 17 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
<b>Related parties</b>	<b>4</b>	<b>222</b>	<b>250</b>	<b>10,280</b>	<b>11,162</b>
<b>Other parties</b>					
Other payables		4,203	4,493	1,924	1,682
Accrued personnel expenses		2,829	2,742	1,322	1,478
Accrued royalties and other accrued expenses		2,128	2,021	918	828
Deferred royalties and other deferred income		2,040	2,147	1,198	1,291
Accrued interest expenses		1,461	1,470	1,400	1,409
Accrued utilities expenses		838	827	617	557
Accrued advertising and sale promotion expenses		354	400	227	284
Accrued rental fees		151	196	141	123
Other		944	868	470	399
		<b>14,948</b>	<b>15,164</b>	<b>8,217</b>	<b>8,051</b>
<b>Total</b>		<b>15,170</b>	<b>15,414</b>	<b>18,497</b>	<b>19,213</b>

### 18 Provisions for employee benefits

#### *Defined benefit plans*

The Group operates defined benefit plans which have characteristics as follows:

#### *Pension fund benefit*

Certain local subsidiaries operate a pension scheme for employees who joined before the 1<sup>st</sup> of January 2003 and choose to retain the benefits of the original scheme. Employees, upon resignation or retirement after having completed 3 years of service, shall be entitled to receive cash payment equivalent to their prevailing salary multiplied by the number of years of service, but not exceeding the equivalent of 10 months of the final salary.

#### *Severance benefit*

Under Thai Labour Protection Act B.E 2541 (1998) and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of the final salary.

#### *Additional benefit related to provident fund*

A local subsidiary operates an employee benefit scheme under which employees who are members of the subsidiary's provident fund, being a defined contribution plan, for at least 9 years are entitled to receive additional contribution from the subsidiary on their resignation or retirement from employment with the subsidiary. Employees, who are a member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the subsidiary on their behalf.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk and turnover rate risk.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	3,368	2,787	1,928	1,538
<b>Included in profit or loss:</b>				
Current service costs	287	345	138	189
Past service costs	809	151	489	137
Interest on obligation	97	73	54	40
	<u>1,193</u>	<u>569</u>	<u>681</u>	<u>366</u>
<b>Included in other comprehensive income:</b>				
Actuarial losses				
- Financial assumptions	529	(189)	325	(133)
- Experience adjustment	16	245	3	171
	<u>545</u>	<u>56</u>	<u>328</u>	<u>38</u>
<b>Other</b>				
Benefits paid by the plan	(262)	(43)	(175)	(14)
Transfer in (out) provisions for employee benefits from subsidiaries and related companies	1	(1)	10	-
Exchange differences on translating financial statements	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>	<b><u>4,843</u></b>	<b><u>3,368</u></b>	<b><u>2,772</u></b>	<b><u>1,928</u></b>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

### Principal actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	1.60 - 1.70	2.80 - 3.40	1.60	2.90
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	4.0 - 7.0	4.0 - 7.0	5.0 - 5.5	5.0 - 5.5
Turnover rate	1.0 - 50.0	1.0 - 50.0	1.0 - 20.0	1.0 - 20.0

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligations were 9 to 16 years (2018: 8 to 15 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.

	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b><i>At 31 December</i></b>				
Discount rate	(439)	(250)	473	289
Future salary growth	449	264	(398)	(234)
Employee turnover	(432)	(251)	467	271

	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b><i>At 31 December</i></b>				
Discount rate	(267)	(146)	288	170
Future salary growth	282	161	(247)	(142)
Employee turnover	(275)	(158)	318	182

## **19 Share premium and reserves**

### ***Share premium***

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 ("share premium"). Share premium is not available for dividend distribution.

### ***Surplus (Deficit) from changes in ownership interest in subsidiary***

Surplus (Deficit) from changes in ownership interest in subsidiary recognised in equity relate to difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid.

### ***Appropriations of profit and/or retained earnings***

### ***Legal reserve***

Section 116 of the Public Limited Company Act B.E. 2535 requires that a public 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. The legal reserve is not available for dividend distribution.

Legal reserve as at 31 December 2019 and 2018 was higher than 10% of the registered authorised capital.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### *Other components of equity*

#### *Exchange differences on translating financial statements*

The exchange differences on translating financial statements recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign entities to Thai Baht.

## **20 Subordinated perpetual debentures**

On 30 November 2016 and 22 August 2017 the Company issued unsecured, unconvertible and subordinated perpetual debentures in registered name form ("Debentures") of Baht 10,000 million (debentures no. 1/2016) and Baht 10,000 million (debentures no. 1/2017), respectively, which are payable upon dissolution of the Company or upon the exercise of the Company's early redemption right per condition as stipulated in the terms and conditions of debentures. These debentures bear interest which is calculated based on 5-year government bond yield adjusted with initial credit spread and coupon rate as stipulated in the terms and conditions of the debentures and is paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without time and number limitation based on the Company's discretion.

If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

- (a) declare or pay any dividend; and
- (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 securities issued by the Company which rank *pari passu* or junior to these debentures.

These Debentures of totalling Baht 19,909 million, net of issuance cost of Baht 91 million, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2019 (consisted of debentures no. 1/2016 of Baht 9,953 million, net of issuance cost of Baht 47 million and debentures no. 1/2017 of Baht 9,956 million, net of issuance cost of Baht 44 million).

As at 31 December 2019, the company has not deferred any interest payments to the subordinated perpetual debentures holders. Cumulative interest for the year ended 31 December 2019 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 1,000 million (2018: Baht 1,000 million). During the year of 2019, the Company paid interest expenses on subordinated perpetual debentures to the holders of Baht 1,000 million (2018: Baht 1,000 million).

As at 31 December 2019, the Company classified subordinated perpetual debentures as a part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation*, which will become effective for annual financial reporting periods beginning on or after 1 January 2020, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions announced the Federation of Accounting Professions Announcement dated 3 December 2019 regarding *additional transition for classification of perpetual debentures* as an additional guideline during transition period. The Company expects to apply this announcement which, as at 1 January 2020, the Company will classify the subordinated perpetual debentures as a part of equity in the consolidated and separate financial statements. If, as at 1 January 2020, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities and equity of the company will increase and decrease by Baht 19,909 Baht.



**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**21 Segment information and disaggregation of revenue**

*Revenue*

The Group's main operations are derived from sale of goods from convenience stores and cash and carry, and rendering of services related to these operations.

*Segment information*

Management determined that the Group has 3 reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

Segment 1: Convenience stores  
Segment 2: Cash and carry  
Segment 3: Other

Other segments include bill payment services, frozen food plant and bakery, and distributor of retailing equipment and educational institutions. None of these segments meets the quantitative thresholds for determining reportable segments.

The Group is managed and operates principally (more than 99%) in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Each segment's performance is measured based on segment profit before income tax expense, as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment profit before income tax expense is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2019

Disaggregation of revenues, timing of revenue recognition and results, based on segments, in the consolidated financial statements for the years ended 31 December 2019 and 2018 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(in million Baht)									
<i>For the year ended 31 December</i>										
<b>Types of revenues</b>										
Revenue from sale of goods	332,734	307,388	206,180	188,583	33,328	28,537	(30,786)	(25,981)	541,456	498,527
Revenue from rendering of services	1,327	1,455	3,592	3,414	10,900	10,665	(6,374)	(5,849)	9,445	9,685
Revenue from sale of goods and rendering of services to external customers	334,061	308,843	209,772	191,997	44,228	39,202	(37,160)	(31,830)	550,901	508,212
<b>Total revenues</b>	<b>361,034</b>	<b>335,187</b>	<b>210,629</b>	<b>192,932</b>	<b>45,403</b>	<b>40,480</b>	<b>(45,956)</b>	<b>(41,424)</b>	<b>571,110</b>	<b>527,175</b>
<b>Timing of revenue recognition</b>										
At a point of time	334,061	308,843	206,180	188,583	38,279	33,526	(32,828)	(27,862)	545,692	503,090
Overtime	-	-	3,592	3,414	5,949	5,676	(4,332)	(3,968)	5,209	5,122
<b>Total</b>	<b>334,061</b>	<b>308,843</b>	<b>209,772</b>	<b>191,997</b>	<b>44,228</b>	<b>39,202</b>	<b>(37,160)</b>	<b>(31,830)</b>	<b>550,901</b>	<b>508,212</b>
Segment profit before income tax expense	21,997	21,924	7,503	7,082	4,151	3,554	(6,887)	(7,408)	26,764	25,152

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2019 and 2018 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in million Baht)</i>									
Revenue from sale of goods and rendering of services	334,061	308,843	209,772	191,997	44,228	39,202	(37,160)	(31,830)	550,901	508,212
Interest income	481	411	21	32	109	81	(317)	(244)	294	280
Dividend income	6,571	6,521	-	-	100	94	(6,671)	(6,615)	-	-
Net foreign exchange gain	1	-	47	41	124	51	(68)	(52)	104	40
Gain on sale of investment in subsidiary	-	907	-	-	-	-	-	(907)	-	-
Other income	19,920	18,505	789	862	842	1,052	(1,740)	(1,776)	19,811	18,643
<b>Total revenues</b>	<b>361,034</b>	<b>335,187</b>	<b>210,629</b>	<b>192,932</b>	<b>45,403</b>	<b>40,480</b>	<b>(45,956)</b>	<b>(41,424)</b>	<b>571,110</b>	<b>527,175</b>
Cost of sale of goods and rendering of services	240,235	222,801	185,012	169,639	33,581	29,825	(32,765)	(27,633)	426,063	394,632
Distribution costs	79,182	71,667	13,062	12,159	3,519	3,146	(2,373)	(2,486)	93,390	84,486
Administrative expenses	13,294	12,032	4,731	3,713	3,804	3,637	(3,657)	(3,673)	18,172	15,709
Net foreign exchange loss	-	-	11	3	58	49	(69)	(52)	-	-
Finance costs	6,326	6,763	310	336	290	269	(205)	(172)	6,721	7,196
<b>Total expenses</b>	<b>339,037</b>	<b>313,263</b>	<b>203,126</b>	<b>185,850</b>	<b>41,252</b>	<b>36,926</b>	<b>(39,069)</b>	<b>(34,016)</b>	<b>544,346</b>	<b>502,023</b>
<b>Segment profit before income tax expense</b>	<b>21,997</b>	<b>21,924</b>	<b>7,503</b>	<b>7,082</b>	<b>4,151</b>	<b>3,554</b>	<b>(6,887)</b>	<b>(7,408)</b>	<b>26,764</b>	<b>25,152</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2019 and 2018 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in million Baht)</i>									
Investment properties	-	-	333	333	-	-	-	-	333	333
Property, plant and equipment	35,096	30,984	59,267	59,411	22,228	21,170	(509)	(278)	116,082	111,287
Goodwill	-	-	127,959	127,959	137	137	-	-	128,096	128,096
Leasehold rights	361	396	2,728	2,788	828	923	-	-	3,917	4,107
Other intangible assets	1,689	1,394	48,431	48,628	1,521	1,560	(257)	(147)	51,384	51,435
Other assets	246,771	247,594	24,391	23,808	26,618	26,545	(221,975)	(219,463)	75,805	78,484
<b>Segment assets as at 31 December</b>	<b><u>283,917</u></b>	<b><u>280,368</u></b>	<b><u>263,109</u></b>	<b><u>262,927</u></b>	<b><u>51,332</u></b>	<b><u>50,335</u></b>	<b><u>(222,741)</u></b>	<b><u>(219,888)</u></b>	<b><u>375,617</u></b>	<b><u>373,742</u></b>
<b>Segment liabilities as at 31 December</b>	<b><u>203,758</u></b>	<b><u>208,348</u></b>	<b><u>56,829</u></b>	<b><u>57,809</u></b>	<b><u>28,433</u></b>	<b><u>28,813</u></b>	<b><u>(21,770)</u></b>	<b><u>(21,047)</u></b>	<b><u>267,250</u></b>	<b><u>273,923</u></b>

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Promotional privileges***

Certain local subsidiaries have been granted promotional certificates by the Office of the Board of Investment for the production of ready-to-serve foods or semi ready-to-serve foods, bakery, chill, research and development for food industry, and food scientific services. The subsidiaries have been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Revenue from sale of goods and rendering of services under the promoted business of the subsidiaries for the years ended 31 December 2019 and 2018 were as follow:

	<b>Consolidated financial statements</b>	
	2019	2018
	<i>(in million Baht)</i>	
Export sale of goods and rendering of services	-	-
Domestic sale of goods and rendering of services	8,703	7,183
<b>Total</b>	<b>8,703</b>	<b>7,183</b>

***Contract balances***

As at 31 December 2019 the Group had outstanding balances of contract liabilities in the consolidated financial statements amounting to Baht 794 million (2018: Baht 453 million). The contract liabilities arises from consideration allocated to customer loyalty programmes.

	<b>Consolidated financial statements</b>		
<i>Revenue expected to be recognised in the future related to performance obligations that are unsatisfied</i>	Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years
<i>At 31 December 2019</i>			
Customer loyalty programmes	49	741	4
<b>Total</b>	<b>49</b>	<b>741</b>	<b>4</b>

**22 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Sale promotion income	11,605	10,630	11,528	10,538
Income on royalties and other fees relating to licenses income	2,346	2,085	2,346	2,085
Other	5,860	5,927	6,046	5,882
<b>Total</b>	<b>19,811</b>	<b>18,642</b>	<b>19,920</b>	<b>18,505</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 23 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Salaries, wages and bonus		34,718	31,447	22,424	20,444
Defined benefit plans	18	1,193	569	681	366
Staff welfares		1,147	899	584	373
Contribution to social security fund		785	717	523	478
Contribution to provident fund		315	282	165	153
Training expenses		178	123	1,562	1,422
Other		166	153	58	47
<b>Total</b>		<b>38,502</b>	<b>34,190</b>	<b>25,997</b>	<b>23,283</b>

The Company and its local subsidiaries have established contributory registered provident funds to which the Company and subsidiaries each contribute monthly at the rates ranging from 2% to 3% of the employees' basic salaries, and employees each contribute monthly at the rates ranging from 2% to 15% of the employees' basic salaries. The Company's and the subsidiaries' contributions to the provident funds are recorded as expenses in the statement of income as incurred. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

### 24 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature are as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Changes in inventories of finished goods and work in progress		(1,882)	(1,846)	(1,225)	(502)
Purchase of finished goods		401,902	371,570	233,804	216,488
Raw materials and consumables used		9,659	8,585	-	-
Depreciation	12	10,166	9,507	6,091	5,704
Amortisation - leasehold rights		308	299	112	107
Amortisation - other intangible assets	14	747	638	253	227
Employee benefit expenses	23	38,502	34,190	25,997	23,283
Convenience store management fees		21,345	19,341	21,345	19,341
Advertising and sale promotion expenses		13,972	12,781	12,676	11,636
Utilities expenses		9,774	8,722	7,444	6,616
Rental fees		9,863	9,067	8,757	8,062
Other		23,269	21,973	17,457	15,538
<b>Total cost of sales of goods and rendering of services, distribution costs and administrative expenses</b>		<b>537,625</b>	<b>494,827</b>	<b>332,711</b>	<b>306,500</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 25 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
<i>Finance costs paid to:</i>				
Financial institutions	6,668	7,133	6,326	6,763
Other parties under finance lease	53	63	-	-
<b>Total</b>	<b>6,721</b>	<b>7,196</b>	<b>6,326</b>	<b>6,763</b>

### 26 Income tax expense

#### *Income tax recognised in profit or loss*

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
<i>Current tax</i>				
Current year	4,376	4,103	1,918	2,004
(Over) under provided in prior years	(31)	26	-	-
	<b>4,345</b>	<b>4,129</b>	<b>1,918</b>	<b>2,004</b>
<i>Deferred income tax</i>				
Movements in temporary differences	(275)	(160)	(101)	(24)
	<b>(275)</b>	<b>(160)</b>	<b>(101)</b>	<b>(24)</b>
<b>Total</b>	<b>4,070</b>	<b>3,969</b>	<b>1,817</b>	<b>1,980</b>

#### *Income tax recognised in other comprehensive income*

	Consolidated financial statements					
	Before income tax	2019 Tax benefit	Net of income tax	Before income tax	2018 Tax benefit	Net of income tax
	(in million Baht)					
Losses on remeasurements of defined benefit plans	545	(99)	446	56	(9)	47
<b>Total</b>	<b>545</b>	<b>(99)</b>	<b>446</b>	<b>56</b>	<b>(9)</b>	<b>47</b>
	Separate financial statements					
	Before income tax	2019 Tax benefit	Net of income tax	Before income tax	2018 Tax benefit	Net of income tax
	(in million Baht)					
Losses on remeasurements of defined benefit plans	328	(66)	262	38	(7)	31
<b>Total</b>	<b>328</b>	<b>(66)</b>	<b>262</b>	<b>38</b>	<b>(7)</b>	<b>31</b>

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**Reconciliation of effective tax rate**

Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other (in million Baht)	Total
2019				
Accounting profit (loss) before income tax expense	318	26,935	(489)	26,764
Income tax at the applicable tax rates	-	5,387	11	5,398
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,295)	(2)	(1,297)
Over provided in prior years	-	(30)	(1)	(31)
<b>Net</b>	<b>-</b>	<b>4,062</b>	<b>8</b>	<b>4,070</b>
2018				
Accounting profit (loss) before income tax expense	392	25,347	(587)	25,152
Income tax at the applicable tax rates	-	5,069	15	5,084
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,137)	(4)	(1,141)
Under (over) provided in prior years	-	27	(1)	26
<b>Net</b>	<b>-</b>	<b>3,959</b>	<b>10</b>	<b>3,969</b>

Applicable tax rate (%)	Separate financial statements	
	20% 2019	20% 2018
	(in million Baht)	
Accounting profit before income tax expense	21,997	21,924
Income tax at the applicable tax rates	4,399	4,385
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(2,582)	(2,405)
<b>Net</b>	<b>1,817</b>	<b>1,980</b>

**Deferred income tax**

Deferred tax assets and liabilities as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Deferred tax assets	1,291	1,002	626	459
Deferred tax liabilities	(15,003)	(15,088)	-	-
<b>Net</b>	<b>(13,712)</b>	<b>(14,086)</b>	<b>626</b>	<b>459</b>



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

Movements in deferred tax assets and liabilities during the years ended 31 December 2019 and 2018 were as follows:

	Consolidated financial statements			At 31 December
	At 1 January	(Charged)/ credited to profit or loss (in million Baht)	other comprehensive income	
<b>2019</b>				
<b>Deferred tax assets (liabilities)</b>				
Trade accounts receivable and other receivables	7	2	-	9
Inventories	144	8	-	152
Property, plant and equipment	(52)	12	-	(40)
Provisions for employee benefits	610	149	99	858
Fair value adjustment assets acquired through business combinations	(15,088)	85	-	(15,003)
Other	293	19	-	312
<b>Total</b>	<b>(14,086)</b>	<b>275</b>	<b>99</b>	<b>(13,712)</b>
<b>2018</b>				
<b>Deferred tax assets (liabilities)</b>				
Trade accounts receivable and other receivables	8	(1)	-	7
Inventories	197	(53)	-	144
Property, plant and equipment	66	(118)	-	(52)
Provisions for employee benefits	518	83	9	610
Fair value adjustment assets acquired through business combinations	(15,170)	82	-	(15,088)
Other	126	167	-	293
<b>Total</b>	<b>(14,255)</b>	<b>160</b>	<b>9</b>	<b>(14,086)</b>
	Separate financial statements			At 31 December
	At 1 January	(Charged)/ credited to profit or loss (in million Baht)	other comprehensive income	
<b>2019</b>				
<b>Deferred tax assets</b>				
Other receivables	2	-	-	2
Inventories	33	-	-	33
Property, plant and equipment	24	-	-	24
Provisions for employee benefits	385	101	66	552
Other	15	-	-	15
<b>Total</b>	<b>459</b>	<b>101</b>	<b>66</b>	<b>626</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

	At 1 January	Separate financial statements (Charged)/ credited to		At 31 December
		profit or loss (in million Baht)	other comprehensive income	
<b>2018</b>				
<b>Deferred tax assets</b>				
Other receivables	2	-	-	2
Inventories	80	(47)	-	33
Property, plant and equipment	24	-	-	24
Provisions for employee benefits	307	71	7	385
Other	15	-	-	15
<b>Total</b>	<b>428</b>	<b>24</b>	<b>7</b>	<b>459</b>

## 27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2019 and 2018 were based on the profit for the years attributable to equity holders of the Company less cumulative interest for the years on subordinated perpetual debentures and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht/million shares)			
Profit for the year attributable to equity holders of the Company	22,343	20,930	20,180	19,944
Less: cumulative interest for the year on subordinated perpetual debentures	(1,000)	(1,000)	(1,000)	(1,000)
<b>Profit used in calculation of basic earnings per share</b>	<b>21,343</b>	<b>19,930</b>	<b>19,180</b>	<b>18,944</b>
<b>Number of ordinary shares outstanding during the year</b>	<b>8,983</b>	<b>8,983</b>	<b>8,983</b>	<b>8,983</b>
<b>Basic earnings per share (in Baht)</b>	<b>2.38</b>	<b>2.22</b>	<b>2.14</b>	<b>2.11</b>

## 28 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment date	Dividend rate (in Baht/share)	Amount (in million Baht)
<b>2019</b>				
2018 Annual dividend	26 April 2019	22 May 2019	1.20	10,780
<b>2018</b>				
2017 Annual dividend	20 April 2018	18 May 2018	1.10	9,881

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 29 Financial instruments

#### *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 derivatives 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.

#### *Capital management*

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns to the Company's shareholders and benefits to other stakeholders. The management sets strategies to support the Company'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.

#### *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's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

The interest rates of financial assets and financial liabilities as at 31 December 2019 and 2018 and the periods in which the financial assets and financial liabilities mature or re-price were as follows:

Consolidated financial statements					
	Interest rate per annum (%)	Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2019</b>					
<b>Financial assets</b>					
Time deposits	1.65 - 6.85	249	-	-	249
Debt securities	1.80	410	-	-	410
<b>Total</b>		<b>659</b>	<b>-</b>	<b>-</b>	<b>659</b>

**CP ALL Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2019**

		<b>Consolidated financial statements</b>			
		Maturity period			
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
<b>2019</b>					
<b>Financial liabilities</b>					
Promissory notes	Market rate	171	-	-	171
Liabilities under trust receipts	Market rate	607	-	-	607
Short-term borrowings from financial institutions	1.60 - 6.58	2,549	-	-	2,549
Short-term borrowings from other parties	Market rate	14	-	-	14
Debentures	2.86 - 5.35	12,290	73,814	46,780	132,884
Long-term borrowings from financial institutions	Interest rate as stipulated on agreement	239	8,211	388	8,838
Finance lease liabilities	6.00 - 9.00	92	332	217	641
Guarantee deposits payable to franchisees	1.25 - 1.50	-	47	3,859	3,906
<b>Total</b>		<b>15,962</b>	<b>82,404</b>	<b>51,244</b>	<b>149,610</b>
<b>2018</b>					
<b>Financial assets</b>					
Time deposits	1.65 - 3.12	97	-	-	97
Debt securities	1.50 - 1.70	1,370	-	-	1,370
<b>Total</b>		<b>1,467</b>	<b>-</b>	<b>-</b>	<b>1,467</b>
<b>Financial liabilities</b>					
Promissory notes	Market rate	2,903	-	-	2,903
Liabilities under trust receipts	Market rate	618	-	-	618
Short-term borrowings from financial institutions	4.70 - 7.06	62	-	-	62
Debentures	2.49 - 5.35	22,994	55,351	62,533	140,878
Long-term borrowings from financial institutions	Interest rate as stipulated on agreement	94	8,254	756	9,104
Finance lease liabilities	9.00	106	341	251	698
Guarantee deposits payable to franchisees	1.25 - 1.50	-	56	3,634	3,690
<b>Total</b>		<b>26,777</b>	<b>64,002</b>	<b>67,174</b>	<b>157,953</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

		Separate financial statements			
		Maturity period			
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
<b>2019</b>					
<b>Financial asset</b>					
Short-term loans to subsidiaries	4.75	6,117	-	-	6,117
<b>Total</b>		<b>6,117</b>	<b>-</b>	<b>-</b>	<b>6,117</b>
<b>Financial liabilities</b>					
Short-term borrowings from financial institutions	1.60 - 1.67	2,500	-	-	2,500
Short-term borrowing from subsidiary	4.50	700	-	-	700
Debentures	2.86 - 5.35	12,290	73,814	46,780	132,884
Guarantee deposits payable to franchisees	1.25	-	-	3,859	3,859
<b>Total</b>		<b>15,490</b>	<b>73,814</b>	<b>50,639</b>	<b>139,943</b>
<b>2018</b>					
<b>Financial asset</b>					
Short-term loans to subsidiaries	4.75	5,850	-	-	5,850
<b>Total</b>		<b>5,850</b>	<b>-</b>	<b>-</b>	<b>5,850</b>
<b>Financial liabilities</b>					
Debentures	2.49 - 5.35	22,994	55,351	62,533	140,878
Guarantee deposits payable to franchisees	1.25	-	-	3,634	3,634
<b>Total</b>		<b>22,994</b>	<b>55,351</b>	<b>66,167</b>	<b>144,512</b>

### Foreign currency risk

The Group is exposed to foreign currency risk relating to borrowings from financial institutions, purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales of goods, denominated in foreign currencies, for the subsequent period.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

At 31 December 2019 and 2018 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
Foreign currency		2019	2018	2019	2018
(in million Baht)					
<b>Cash and cash equivalents</b>					
Foreign currency	China Renminbi	1,641	1,642	-	-
	United States Dollar	364	272	-	-
	Cambodia Riel	128	71	-	-
	Singapore Dollar	83	48	-	-
	Indian Rupee	75	321	-	-
	United Arab Emirates Dirham	46	65	-	-
	Hong Kong Dollar	29	39	-	-
	Vietnamese Dong	6	11	-	-
	Australian Dollar	1	-	-	-
	Myanmar Kyat	-	1	-	-
<b>Current investments</b>					
Foreign currency	Indian Rupee	43	-	-	-
	China Renminbi	-	75	-	-
	United States Dollar	-	20	-	-
<b>Trade accounts receivable and other receivables</b>					
Foreign currency	China Renminbi	355	399	-	-
	Singapore Dollar	253	261	-	-
	Indian Rupee	222	161	-	-
	United States Dollar	199	240	-	-
	United Arab Emirates Dirham	143	139	-	-
	Hong Kong Dollar	56	64	-	-
	Vietnamese Dong	39	51	-	-
	Euro	4	1	-	-
	Myanmar Kyat	4	1	-	-
	Swiss Franc	3	12	-	-
	Australian Dollar	1	6	-	-
Forward currency contracts - to buy and sell	United States Dollar	26	14	-	-
	Swiss Franc	6	12	-	-
<b>Other current assets</b>					
Foreign currency	Singapore Dollar	5	5	-	-
	Hong Kong Dollar	4	7	-	-
	United Arab Emirates Dirham	2	3	-	-
	Indian Rupee	2	2	-	-
	Myanmar Kyat	2	-	-	-
	United States Dollar	1	6	-	-
	China Renminbi	-	48	-	-

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
Foreign currency		2019	2018	2019	2018
		(in million Baht)			
<b>Other non-current assets</b>					
Foreign currency	Indian Rupee	27	29	-	-
	China Renminbi	4	1	-	-
	Swiss Franc	3	-	-	-
	United States Dollar	2	-	-	-
	Vietnamese Dong	1	1	-	-
<b>Short-term borrowings from financial institutions</b>					
Foreign currency	Singapore Dollar	171	253	-	-
	Vietnamese Dong	49	-	-	-
	Myanmar Kyat	-	58	-	-
	Euro	-	4	-	-
<b>Trade accounts payable and other payables</b>					
Foreign currency	United States Dollar	1,173	1,063	-	-
	China Renminbi	793	692	-	-
	Indian Rupee	171	273	-	-
	Euro	100	111	-	-
	Singapore Dollar	100	108	-	-
	Australian Dollar	96	45	-	-
	United Arab Emirates Dirham	77	72	-	-
	Pound Sterling	31	27	-	-
	Hong Kong Dollar	12	9	-	-
	Yen	9	121	-	-
	Vietnamese Dong	8	11	-	-
	Myanmar Kyat	5	-	-	-
	Swiss Franc	2	-	-	-
Forward currency contracts – to buy and sell	United States Dollar	266	762	-	-
	Euro	186	37	-	-
	Yen	79	346	-	-
	Australian Dollar	11	34	-	-
	China Renminbi	1	5	-	-
	Pound Sterling	-	8	-	-
<b>Short-term borrowings from other parties</b>					
Foreign currency	United States Dollar	14	-	-	-
<b>Other current liabilities</b>					
Foreign currency	Myanmar Kyat	11	-	-	-
	United States Dollar	6	22	-	-
	Hong Kong Dollar	1	-	-	-

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
Foreign currency		2019	2018	2019	2018
		(in million Baht)			
<b>Long-term borrowings from financial institutions</b>					
Foreign currency	China Renminbi	1,833	2,102	-	-
	Indian Rupee	4	2	-	-
<b>Other non-current liabilities</b>					
Foreign currency	United States Dollar	122	-	-	-
	Indian Rupee	57	35	-	-

### Credit risk

Credit risk is the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

### 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.

### Carrying amount 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 not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements				
		Fair value			Total	
Carrying amount		Level 1	Level 2	Level 3		
(in million Baht)						
<b>31 December 2019</b>						
<b><i>Financial liabilities not measured at fair value</i></b>						
Debentures	132,884	-	142,782	-	142,782	
Long-term borrowings from financial institutions	8,838	-	8,966	-	8,966	
Finance lease liabilities	641	-	757	-	757	
Accrued guarantee deposits	3,926	-	3,258	-	3,258	



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
<b>31 December 2018</b>					
<i>Financial liabilities not measured at fair value</i>					
Debentures	140,878	-	148,263	-	148,263
Long-term borrowings from financial institutions	9,104	-	9,122	-	9,122
Finance lease liabilities	698	-	821	-	821
Accrued guarantee deposits	3,716	-	3,083	-	3,083

		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2019					
Financial liabilities not measured at fair value					
Debentures	132,884	-	142,782	-	142,782
Accrued guarantee deposits	3,859	-	3,190	-	3,190

<b>31 December 2018</b>					
<i>Financial liabilities not measured at fair value</i>					
Debentures	140,878	-	148,263	-	148,263
Accrued guarantee deposits	3,634	-	3,001	-	3,001

As at 31 December 2019 and 2018 the Group had total forward currency contracts as follow:

		Consolidated financial statement	
		2019	2018
		<i>(in million)</i>	
Forward currency contracts - to buy	Foreign currency	281.9	1,166.1
	Yen		
	United States Dollar	8.8	23.5
	Euro	5.5	1.0
	Australian Dollar	0.5	1.5
	China Renminbi	0.1	1.1
Forward currency contracts - to sell	Pound Sterling	-	0.2
	United States Dollar	0.9	0.4
	Swiss Franc	0.2	0.4

As at 31 December 2019 the fair value of forward currency contracts - to buy and forward currency contracts - to sell amounting to Baht 541 million and Baht 32 million, respectively. (2018: Baht 1,191 million and Baht 27 million, respectively).

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### *Financial instruments not measured at fair value*

Fair value for trade debentures have been determined based on quoted selling price from the Thai Bond Market Association at the close of the business on the reporting date.

Fair value of forward currency contracts are derived from financial institutions as at the reporting date which calculated from financial models with reference to market input parameter.

Fair value for finance lease liabilities, long-term borrowings from financial institutions and accrued guarantee deposits were calculated by using discounted cash flow method.

### 30 Supplemental disclosures of cash flows information

Property, plant and equipment and other intangible assets paid by cash during the years ended 31 December 2019 and 2018 are detailed as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
<b><i>Property, plant and equipment</i></b>					
Increases during the year	12	15,978	15,160	10,519	8,688
Add (Less) - changes in payables		873	(713)	(335)	(494)
- assets under finance leases		(14)	(13)	-	-
<b>Purchase and paid by cash</b>		<b>16,837</b>	<b>14,434</b>	<b>10,184</b>	<b>8,194</b>
<b><i>Other intangible assets</i></b>					
Increases during the year	14	799	883	548	292
Add (Less) - changes in payables		53	60	(97)	(12)
<b>Purchase and paid by cash</b>		<b>852</b>	<b>943</b>	<b>451</b>	<b>280</b>

### 31 Commitments with non-related parties

#### *Capital commitments*

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)	988	524	-	-
<b>Total</b>	<b>988</b>	<b>524</b>	<b>-</b>	<b>-</b>

## CP ALL Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2019

#### *Future minimum lease payments under non-cancellable operating leases*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Within 1 year	7,963	7,251	6,978	6,402
After 1 year but within 5 years	25,384	22,744	22,601	19,943
After 5 years	23,353	21,894	13,167	10,888
<b>Total</b>	<b>56,700</b>	<b>51,889</b>	<b>42,746</b>	<b>37,233</b>

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 50 years, which will expire between 2020 and 2068.

#### *Other commitments*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	355	496	-	-
<b>Total</b>	<b>355</b>	<b>496</b>	<b>-</b>	<b>-</b>

#### *Letters of guarantee*

As at 31 December 2019 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 2,063 million and United States Dollars 0.3 million (2018: Baht 1,974 million and United States Dollars 0.3 million).

#### *Significant agreements*

As at 31 December 2019 the Group had the following significant agreements:

- (a) The Company has an area license agreement with 7-Eleven, Inc., which was incorporated in the United States of America, to acquire a license to use the systems and trademarks of 7-Eleven, Inc. in connection with the operations of 7-Eleven convenience stores or franchising of such operations to other retailers in Thailand. The Company has also obtained certain services from 7-Eleven, Inc. in relation to training and technical assistance. In consideration thereof, the Company is committed to pay royalties to 7-Eleven, Inc. calculated as percentages of total sales of the 7-Eleven convenience stores that are operating in Thailand.
- (b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties from those licensees in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damage and/or liability that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposit rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.

## **CP ALL Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2019**

- (c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers (“licensees”). Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.
- (d) A local subsidiary (Gosoft (Thailand) Co., Ltd.) has service agreements with local companies (“the parties”), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 6 months, and will expire on various dates until January 2020.
- (e) A local subsidiary (Counter Service Co., Ltd.) has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, etc.), and other local companies (e.g., hire purchase, life insurance premium, etc.) (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the parties then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers or local companies as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to May 2024. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (f) A local subsidiary (Counter Service Co., Ltd.) has service agreements with certain individuals and local companies (“the parties”), whereby the latter parties are appointed as agents of the subsidiary for receipts of customers’ bills as specified in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to June 2021. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary (CP Retailink Co., Ltd.) has repair and maintenance management service agreements with local companies (“the parties”), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 3 year and are renewable for additional periods of 3 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (h) A local subsidiary (Counter Service Co., Ltd.) has service agreements with local financial institutions (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate as banking agent for cash deposits, cash withdrawals and/or receipts of customers’ bills then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers as stipulated in the agreements. These agreements are effective for periods over 1 to 3 years, started and will expire on various dates up to August 2022. If either of the parties has intention to terminate or has no intention to renew the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 32 Events after the reporting period

- 32.1 At the Board of Directors' meeting of the Company held on 19 February 2020, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2019 of Baht 1.25 per share for 8,983 million ordinary shares, totaling Baht 11,229 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.
- 32.2 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited ("Siam Makro")) held on 18 February 2020, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2019 of Baht 0.56 per share for 4,800 million ordinary shares, totaling Baht 2,688 million. The declaration of dividend payment must be approved by the shareholders' meeting of the subsidiary.
- 32.3 On 18 February 2020, Board of Directors of a local subsidiary (Siam Makro Public Company Limited) approved to liquidate a foreign subsidiary (ARO Company Limited), since the foreign subsidiary has not operated any business and there was an establishment of another foreign subsidiary (ARO Commercial Company Limited) to operate the business activity in Republic of the Union of Myanmar.
- 32.4 Local and foreign subsidiaries increased the authorised share capital and called for additional paid-up share capital. The processes of some subsidiaries had already completed in January 2020 and the remaining were expected to be completed in February and March 2020.

### 33 Thai Financial Reporting Standards not yet adopted

A number of new and revised Thai Financial Reporting Standards ("TFRS") which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* TFRS - Financial instruments standards

#### (a) TFRS - Financial instruments standards

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. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management assessed that there was no material impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### (b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's and Company's future minimum lease payments under non-cancellable operating leases amounted to Baht 56,700 million in the consolidated financial statements and Baht 42,746 million in the separate financial statements, respectively, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

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

### 34 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation of the 2019 financial statements as follows:

	2018					
	Consolidated financial statements			Separate financial statements		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication (in million Baht)	Before reclassi- fication	Reclassi- fication	After Reclassi- fication
<b>Statement of financial position as at 31 December</b>						
Other payables	(15,867)	453	(15,414)	(19,213)	-	(19,213)
Contract liabilities	-	(453)	(453)	-	-	-
		<u>-</u>			<u>-</u>	
<b>Statement of income for the year ended 31 December</b>						
Revenue from sale of goods and rendering of services	(508,552)	340	(508,212)	(308,843)	-	(308,843)
Other income	(18,987)	345	(18,642)	(18,850)	345	(18,505)
Cost of sale of goods and rendering of services	395,317	(685)	394,632	223,145	(345)	222,800
		<u>-</u>			<u>-</u>	

These reclassifications have been made consequent to the adoption of new Thai Financial Reporting Standards as disclosed in note 2(a) to the financial statements.