

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2020
and
Independent Auditor's Review Report



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of CP ALL Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries (the "Group"), and of CP ALL Public Company Limited (the "Company"), respectively, as at 30 September 2020; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2020; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2020; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".



Emphasis of Matter

I draw attention to condensed note 3 to the interim financial statements describing the effect of the Group and the Company's adoption from 1 January 2020 of certain new accounting policies. My conclusion is not modified in respect of this matter.

A handwritten signature in blue ink, appearing to read 'Munchupa S.'.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
11 November 2020

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Assets	Note	2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		48,614,207	29,860,513	35,698,942	17,895,286
Current investments		198,758	658,572	-	-
Trade accounts receivable	5, 18	1,599,015	1,718,002	257,378	116,092
Other current receivables	5, 18	6,664,217	7,729,043	5,052,103	5,174,188
Short-term loans to subsidiaries	5	-	-	5,550,000	6,116,500
Inventories	5	29,684,404	31,537,849	14,443,749	14,683,842
Derivatives assets	18	43,801	-	43,801	-
Other current assets		179,130	419,217	154,149	273,570
Total current assets		86,983,532	71,923,196	61,200,122	44,259,478
Non-current assets					
Investments in subsidiaries	6	-	-	201,010,496	199,527,531
Investment in associate	7	373,705	-	502,000	-
Investment in related company	5	34,000	34,000	34,000	34,000
Other long-term investments		2,042	2,042	-	-
Other non-current receivables	5	171,218	1,576,268	-	1,085,643
Investment properties		332,832	332,832	-	-
Property, plant and equipment	5, 8	119,613,468	116,082,072	38,098,868	35,095,979
Right-of-use assets	9	52,663,658	-	40,819,741	-
Leasehold rights		-	3,916,633	-	361,117
Goodwill		128,096,021	128,096,021	-	-
Intangible assets other than goodwill	5	51,608,838	51,383,825	1,972,109	1,688,978
Deferred tax assets		1,898,507	1,291,217	1,209,397	626,103
Other non-current assets	5	1,872,102	979,348	2,012,510	1,237,967
Total non-current assets		356,666,391	303,694,258	285,659,121	239,657,318
Total assets		443,649,923	375,617,454	346,859,243	283,916,796

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Liabilities and equity	Note	2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current liabilities					
Short-term borrowings from					
financial institutions		5,687,622	3,326,784	4,500,000	2,500,000
Trade accounts payable	5	65,323,586	78,549,537	34,290,960	41,331,659
Other payables	5	14,315,978	15,169,854	14,715,873	18,496,677
Contract liabilities	12	1,467,798	794,164	470,000	-
Short-term borrowings from					
subsidiary	5	-	-	-	700,000
Short-term borrowings from					
other parties		6,331	14,474	-	-
Current portion of debentures	10, 18	25,289,330	12,289,800	25,289,330	12,289,800
Current portion of long-term					
borrowings from financial					
institutions	18	5,326,821	238,688	-	-
Current portion of lease liabilities					
(2019: Current portion of					
finance lease liabilities)	5, 18	7,406,314	92,347	6,732,578	-
Income tax payable		712,685	1,532,910	3,556	379,237
Derivatives liabilities	18	601,838	-	601,838	-
Other current liabilities		1,078,214	908,598	765,877	638,078
Total current liabilities		127,216,517	112,917,156	87,370,012	76,335,451
Non-current liabilities					
Debentures	10, 18	138,489,452	120,593,800	138,489,452	120,593,800
Long-term borrowings from					
financial institutions	18	3,583,333	8,599,261	-	-
Lease liabilities					
(2019: Finance lease liabilities)	5, 18	42,849,809	549,430	34,958,323	-
Provisions for employee benefits		5,127,451	4,842,899	2,940,783	2,771,802
Accrued guarantee deposits	18	3,631,362	3,926,376	3,629,844	3,858,828
Deferred tax liabilities		14,958,256	15,003,567	-	-
Other non-current liabilities		28,716	817,169	-	198,315
Total non-current liabilities		208,668,379	154,332,502	180,018,402	127,422,745
Total liabilities		335,884,896	267,249,658	267,388,414	203,758,196

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity <i>(Continued)</i>	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital					
Authorised share capital					
<i>(8,986 million ordinary shares, par value at Baht 1 per share)</i>		8,986,296	8,986,296	8,986,296	8,986,296
Issued and paid-up share capital					
<i>(8,983 million ordinary shares, par value at Baht 1 per share)</i>		8,983,101	8,983,101	8,983,101	8,983,101
Additional paid-in capital					
Premium on ordinary shares		1,684,317	1,684,317	1,684,317	1,684,317
Deficit from changes in ownership					
interests in subsidiaries		(1,462,713)	(1,442,733)	-	-
Retained earnings					
Appropriated					
Legal reserve		900,000	900,000	900,000	900,000
Unappropriated		64,992,066	65,853,269	48,440,686	48,682,028
Perpetual subordinated debentures	11	19,909,154	19,909,154	19,909,154	19,909,154
Other components of equity		(1,958,783)	(2,148,250)	(446,429)	-
Equity attributable to equity					
holders of the Company		93,047,142	93,738,858	79,470,829	80,158,600
Non-controlling interests		14,717,885	14,628,938	-	-
Total equity		107,765,027	108,367,796	79,470,829	80,158,600
Total liabilities and equity					
		443,649,923	375,617,454	346,859,243	283,916,796

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

CP ALL Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		For the three-month		For the three-month	
		period ended 30 September		period ended 30 September	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Revenues	5				
Revenue from sale of goods and rendering of services		129,990,020	135,592,761	74,307,151	83,059,207
Interest income		32,129	57,891	79,075	104,859
Dividend income		73	60	2,086,338	2,036,339
Net foreign exchange gain		11,306	-	62	321
Other income		5,466,550	5,251,591	5,494,950	5,357,747
Total revenues		135,500,078	140,902,303	81,967,576	90,558,473
Expenses	5				
Cost of sale of goods and rendering of services		101,422,483	104,585,596	53,760,910	59,880,356
Distribution costs		23,032,080	23,468,972	19,429,073	19,798,150
Administrative expenses		4,274,607	4,390,407	3,109,940	3,199,825
Net foreign exchange loss		-	22,214	-	-
Total expenses		128,729,170	132,467,189	76,299,923	82,878,331
Profit from operating activities		6,770,908	8,435,114	5,667,653	7,680,142
Finance costs	5	1,991,291	1,671,569	1,817,107	1,574,142
Share of loss of associate accounted for using equity method		523	-	-	-
Profit before income tax expense		4,779,094	6,763,545	3,850,546	6,106,000
Income tax expense	14	682,325	1,067,705	8,142	490,537
Profit for the period		4,096,769	5,695,840	3,842,404	5,615,463
Profit attributable to:					
Equity holders of the Company		3,997,703	5,611,835	3,842,404	5,615,463
Non-controlling interests		99,066	84,005	-	-
Profit for the period		4,096,769	5,695,840	3,842,404	5,615,463
Basic earnings per share (in Baht)	15	0.42	0.60	0.40	0.60

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CP ALL Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 30 September		For the three-month period ended 30 September	
Note	2020	2019	2020	2019
	(in thousand Baht)			
Profit for the period	4,096,769	5,695,840	3,842,404	5,615,463
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	714,546	(328,803)	-	-
Gain on cash flow hedges	1,446,520	-	1,446,520	-
Share of other comprehensive income of associate accounted for using equity method	874,227	-	-	-
Income tax relating to components of other comprehensive income on gain on cash flow hedges	(289,303)	-	(289,303)	-
Other comprehensive income for the period	2,745,990	(328,803)	1,157,217	-
Total comprehensive income for the period	6,842,759	5,367,037	4,999,621	5,615,463
Total comprehensive income attributable to:				
Equity holders of the Company	6,728,335	5,289,917	4,999,621	5,615,463
Non-controlling interests	114,424	77,120	-	-
Total comprehensive income for the period	6,842,759	5,367,037	4,999,621	5,615,463

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CP ALL Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		For the nine-month		For the nine-month	
		period ended 30 September		period ended 30 September	
<i>Note</i>		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Revenues	5				
Revenue from sale of goods and rendering of services		394,061,593	407,927,176	227,521,288	248,552,638
Interest income		112,636	244,505	250,518	385,595
Dividend income		223	185	6,448,139	6,241,467
Net foreign exchange gain		64,814	34,676	17	282
Other income		15,141,616	14,514,024	15,420,999	14,756,722
Total revenues		409,380,882	422,720,566	249,640,961	269,936,704
Expenses	5				
Cost of sale of goods and rendering of services		307,870,448	315,924,555	164,327,060	178,974,962
Distribution costs		67,953,794	68,880,710	57,583,471	58,172,835
Administrative expenses		12,672,532	13,354,487	8,762,730	9,449,544
Total expenses		388,496,774	398,159,752	230,673,261	246,597,341
Profit from operating activities		20,884,108	24,560,814	18,967,700	23,339,363
Finance costs	5	5,848,129	5,104,504	5,317,923	4,804,324
Share of loss of associate accounted for using equity method		758	-	-	-
Profit before income tax expense		15,035,221	19,456,310	13,649,777	18,535,039
Income tax expense	14	2,248,558	3,061,304	478,031	1,583,050
Profit for the period		12,786,663	16,395,006	13,171,746	16,951,989
Profit attributable to:					
Equity holders of the Company		12,529,841	16,175,634	13,171,746	16,951,989
Non-controlling interests		256,822	219,372	-	-
Profit for the period		12,786,663	16,395,006	13,171,746	16,951,989
Basic earnings per share (in Baht)	15	1.31	1.72	1.38	1.80

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CP ALL Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
Note	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	12,786,663	16,395,006	13,171,746	16,951,989
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	789,708	(817,036)	-	-
Loss on cash flow hedges	(558,037)	-	(558,037)	-
Share of other comprehensive income of associate accounted for using equity method	(127,538)	-	-	-
Income tax relating to components of other comprehensive income on loss on cash flow hedges	111,608	-	111,608	-
Other comprehensive income for the period	215,741	(817,036)	(446,429)	-
Total comprehensive income for the period	13,002,404	15,577,970	12,725,317	16,951,989
Total comprehensive income attributable to:				
Equity holders of the Company	12,719,308	15,381,167	12,725,317	16,951,989
Non-controlling interests	283,096	196,803	-	-
Total comprehensive income for the period	13,002,404	15,577,970	12,725,317	16,951,989

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements														
		Retained earnings				Other components of equity								
		Issued and paid-up share capital	Premium on ordinary shares	Deficit from changes in ownership interests in subsidiaries	Legal reserve	Unappropriated	Perpetual subordinated debentures	Exchange differences on translating financial statements	Loss on cash flow hedges	Share of other comprehensive income of associate accounted for using equity method	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	Note													
(in thousand Baht)														
For the nine-month period ended 30 September 2020														
Balance at 31 December 2019														
- as previously reported														
Impact of changes in accounting policies														
	3	8,983,101	1,684,317	(1,442,733)	900,000	65,853,269	19,909,154	(2,148,250)	-	-	(2,148,250)	93,738,858	14,628,938	108,367,796
		8,983,101	1,684,317	(1,442,733)	900,000	64,441,787	19,909,154	(2,148,250)	-	-	(2,148,250)	92,327,376	13,456	(1,398,026)
Transactions with equity holders, recorded directly in equity														
Distributions to equity holders														
	16	-	-	-	-	(11,228,877)	-	-	-	-	-	(11,228,877)	(318,818)	(11,547,695)
		-	-	-	-	(11,228,877)	-	-	-	-	-	(11,228,877)	(318,818)	(11,547,695)
Changes in ownership interests in subsidiaries														
		-	-	-	-	-	-	-	-	-	-	-	110,223	110,223
	6	-	-	(19,980)	-	-	-	-	-	-	-	(19,980)	990	(18,990)
		-	-	(19,980)	-	-	-	-	-	-	-	(19,980)	111,213	91,233
Total transactions with equity holders, recorded directly in equity														
Comprehensive income for the period														
		-	-	-	-	(11,228,877)	-	-	-	-	-	(11,248,857)	(207,605)	(11,456,462)
		-	-	-	-	12,529,841	-	-	-	-	-	12,529,841	256,822	12,786,663
		-	-	-	-	-	-	763,434	(446,429)	(127,538)	189,467	189,467	26,274	215,741
Total comprehensive income for the period														
		-	-	-	-	12,529,841	-	763,434	(446,429)	(127,538)	189,467	12,719,308	283,096	13,002,404
Interest payment on perpetual subordinated debentures														
	11	-	-	-	-	(750,685)	-	-	-	-	-	(750,685)	-	(750,685)
		8,983,101	1,684,317	(1,462,713)	900,000	64,992,066	19,909,154	(1,384,816)	(446,429)	(127,538)	(1,958,783)	93,047,142	14,717,885	107,765,027
Balance at 30 September 2020														

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

CP ALL Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements											
		Retained earnings				Other component of equity					
		Issued and paid-up share capital	Premium on ordinary shares	Deficit from changes in ownership interests in subsidiaries	Legal reserve	Unappropriated	Perpetual subordinated debentures	Exchange differences on translating financial statements	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	Note										
(in thousand Baht)											
For the nine-month period ended 30 September 2019											
Balance at 1 January 2019											
Transactions with equity holders, recorded directly in equity											
Distributions to equity holders											
	16	-	-	-	-	(10,779,722)	-	-	(10,779,722)	(318,820)	(11,098,542)
Total distributions to equity holders											
Changes in ownership interests in subsidiaries											
		-	-	-	-	(10,779,722)	-	-	(10,779,722)	(318,820)	(11,098,542)
Called for paid-up share capital from subsidiaries											
		-	-	-	-	-	-	-	-	47,850	47,850
Changes in ownership interest in subsidiary without a change in control											
	6	-	-	(381,585)	-	-	-	-	(381,585)	(406,466)	(788,051)
Total changes in ownership interests in subsidiaries											
		-	-	(381,585)	-	-	-	-	(381,585)	(358,616)	(740,201)
Total transactions with equity holders, recorded directly in equity											
		-	-	(381,585)	-	(10,779,722)	-	-	(11,161,307)	(677,436)	(11,838,743)
Comprehensive income for the period											
		-	-	-	-	16,175,634	-	-	16,175,634	219,372	16,395,006
		-	-	-	-	-	-	(794,467)	(794,467)	(22,569)	(817,036)
Total comprehensive income for the period											
		-	-	-	-	16,175,634	-	(794,467)	15,381,167	196,803	15,577,970
Interest payment on perpetual subordinated debentures											
	11	-	-	-	-	(747,945)	-	-	(747,945)	-	(747,945)
Balance at 30 September 2019											
		8,983,101	1,684,317	(1,442,733)	900,000	60,379,105	19,909,154	(2,110,226)	88,302,718	14,507,249	102,809,967

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CP ALL Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Separate financial statements							
Note	Retained earnings			Perpetual subordinated debentures	Other component of equity	Total equity	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve				
(in thousand Baht)							
For the nine-month period ended 30 September 2020							
Balance at 31 December 2019							
	- as previously reported	8,983,101	1,684,317	900,000	19,909,154	-	80,158,600
3	Impact of changes in accounting policies	-	-	(1,433,526)	-	-	(1,433,526)
	Balance at 1 January 2020	8,983,101	1,684,317	900,000	19,909,154	-	78,725,074
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
16	Dividends	-	-	(11,228,877)	-	-	(11,228,877)
Total transactions with equity holders, recorded directly in equity							
	Comprehensive income for the period	-	-	(11,228,877)	-	-	(11,228,877)
	Profit	-	-	13,171,746	-	-	13,171,746
	Other comprehensive income	-	-	-	-	(446,429)	(446,429)
	Total comprehensive income for the period	-	-	13,171,746	-	(446,429)	12,725,317
Interest payment on perpetual subordinated debentures							
11		-	-	(750,685)	-	-	(750,685)
	Balance at 30 September 2020	8,983,101	1,684,317	900,000	19,909,154	(446,429)	79,470,829

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Separate financial statements					
		Retained earnings			Perpetual		
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	subordinated debentures	Total equity
	Note				(in thousand Baht)		
For the nine-month period ended 30 September 2019							
Balance at 1 January 2019		8,983,101	1,684,317	900,000	40,543,716	19,909,154	72,020,288
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	16	-	-	-	(10,779,722)	-	(10,779,722)
Total transactions with equity holders, recorded directly in equity							
Comprehensive income for the period		-	-	-	(10,779,722)	-	(10,779,722)
Profit		-	-	-	16,951,989	-	16,951,989
Total comprehensive income for the period		-	-	-	16,951,989	-	16,951,989
Interest payment on perpetual subordinated debentures							
Balance at 30 September 2019	11	8,983,101	1,684,317	900,000	(747,945)	19,909,154	77,444,610

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		For the nine-month		For the nine-month	
		period ended 30 September		period ended 30 September	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the period		12,786,663	16,395,006	13,171,746	16,951,989
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation of property, plant and equipment	8	8,088,940	7,497,424	4,985,324	4,470,611
Depreciation of right-of-use assets	9	6,613,381	-	5,719,996	-
Amortisation of leasehold rights		-	230,065	-	83,499
Amortisation of intangible assets other than goodwill		578,259	539,708	212,844	183,168
Interest income		(112,636)	(244,505)	(250,518)	(385,595)
Dividend income		(223)	(185)	(6,448,139)	(6,241,467)
Finance costs		5,848,129	5,104,504	5,317,923	4,804,324
Income tax expense		2,248,558	3,061,304	478,031	1,583,050
Provisions for employee benefits		311,316	1,088,091	161,100	626,903
Losses (reversal of allowance for losses)					
on decline in value of inventories		51,411	(34,835)	(28,728)	(33,404)
Impairment for losses on property, plant and equipment		3,481	1,231	-	-
Impairment for losses on intangible assets other than goodwill		-	7,470	-	-
Impairment for losses on trade accounts receivable and other receivables					
(2019: <i>Bad and doubtful debts expenses</i>)		54,055	16,302	-	-
Unrealised (gain) loss on exchange		(4,934)	4,295	-	-
Share of loss of associate accounted for using equity method		758	-	-	-
Loss on disposal and write-off of property, plant and equipment		112,796	95,830	99,495	91,574
Gain on disposal and write-off of right-of-use assets		(110,182)	-	(113,130)	-
Gain on disposal of leasehold rights		-	(9,066)	-	(9,066)
Loss on write-off of intangible assets other than goodwill		24	89	21	39
Differences on a granted concession	4	22,416	-	22,416	-
		36,492,212	33,752,728	23,328,381	22,125,625
Changes in operating assets and liabilities					
Trade accounts receivable		65,962	420,708	(141,286)	(5,678)
Other receivables		843,187	543,574	9,778	175,348
Inventories		1,802,051	1,426,437	268,821	358,456

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (continued) (Unaudited)

		Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Other current assets		99,412	(96,320)	97,993	68,909
Other non-current assets		(853,895)	(135,106)	(774,543)	(42,839)
Trade accounts payable		(13,203,848)	(8,678,497)	(7,040,699)	(3,566,540)
Other payables		(582,690)	(1,180,972)	(3,175,059)	(3,027,849)
Contract liabilities		673,634	1,443,953	470,000	703,255
Other current liabilities		169,616	270,984	127,799	238,856
Provisions for employee benefits paid		(28,146)	(19,091)	(6,775)	-
Transferred in of provisions for employee benefits		898	752	14,656	10,069
Accrued guarantee deposits		(295,014)	147,443	(228,984)	158,656
Other non-current liabilities		899	246,642	-	48,390
Net cash generated from operating		25,184,278	28,143,235	12,950,082	17,244,658
Income tax paid		(3,214,603)	(3,868,093)	(934,593)	(1,816,722)
Net cash from operating activities		21,969,675	24,275,142	12,015,489	15,427,936
Cash flows from investing activities					
Interest received		108,618	218,933	248,481	386,999
Dividends received		223	185	6,448,139	6,241,467
Acquisition of current investments		-	(720,791)	-	-
Proceeds from sale of current investments		459,814	1,570,126	-	-
Cash outflow on short-term loans to subsidiaries	5	-	-	(83,000)	(1,356,500)
Proceeds from repayment of short-term loans to subsidiaries	5	-	-	649,500	850,000
Cash outflow on investments in subsidiaries	6	-	-	(1,482,965)	(1,128,780)
Cash outflow on investment in associate	7	(502,000)	-	(502,000)	-
Acquisition of other long-term investments		-	(1,464)	-	-
Acquisition of property, plant and equipment	17	(11,796,573)	(12,227,164)	(8,599,975)	(7,660,811)
Proceeds from sale of property, plant and equipment		66,670	180,471	50,007	153,963
Acquisition of right-of-use assets		(651,914)	-	(554,824)	-
Proceeds from sale of right-of-use assets		8,912	-	8,912	-
Acquisition of leasehold rights		-	(161,160)	-	(79,060)
Proceeds from sale of leasehold rights		-	9,702	-	9,702
Acquisition of intangible assets other than goodwill	17	(738,553)	(542,736)	(533,887)	(301,554)
Net cash used in investing activities		(13,044,803)	(11,673,898)	(4,351,612)	(2,884,574)

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (continued) (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		For the nine-month		For the nine-month	
		period ended 30 September		period ended 30 September	
Note		2020	2019	2020	2019
		(in thousand Baht)			
Cash flows from financing activities					
Interest paid		(5,015,575)	(5,282,432)	(4,752,220)	(5,003,350)
Interest paid on perpetual subordinated debentures	11	(750,685)	(747,945)	(750,685)	(747,945)
Dividends paid to equity holders of the Company		(11,228,971)	(10,780,328)	(11,228,971)	(10,780,328)
Dividends paid to non-controlling interests		(318,818)	(318,820)	-	-
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liabilities relating to a finance lease)		(6,273,894)	(125,649)	(5,395,845)	-
Increases in short-term borrowings from financial institutions		2,352,526	5,082,417	2,000,000	5,630,000
Proceeds from short-term borrowings from subsidiary	5	-	-	300,000	700,000
Repayment of short-term borrowings from subsidiary	5	-	-	(1,000,000)	-
Proceeds from short-term borrowings from other parties		-	15,026	-	-
Repayment of short-term borrowings from other parties		(8,798)	-	-	-
Proceeds from issue of debentures	10	32,467,500	15,000,000	32,467,500	15,000,000
Repayment of debentures	10	(1,500,000)	(22,994,300)	(1,500,000)	(22,994,300)
Repayment of long-term borrowings from financial institutions		(71,134)	(21,908)	-	-
Proceeds from called for paid-up share capital from subsidiaries		110,223	47,850	-	-
Payment of changes in ownership interests in subsidiaries without a change in control	6	(12,662)	(788,051)	-	(788,051)
Net cash from (used in) financing activities		9,749,712	(20,914,140)	10,139,779	(18,983,974)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		18,674,584	(8,312,896)	17,803,656	(6,440,612)
Effect of exchange rate changes on cash and cash equivalents		79,110	(103,324)	-	-
Net increase (decrease) in cash and cash equivalents		18,753,694	(8,416,220)	17,803,656	(6,440,612)
Cash and cash equivalents at beginning of period		29,860,513	34,023,109	17,895,286	22,611,758
Cash and cash equivalents at end of period		48,614,207	25,606,889	35,698,942	16,171,146

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

CP ALL Public Company Limited and its Subsidiaries
Condensed notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim financial statements have been prepared from the Thai language interim financial statements, and were approved and authorised for issue by the Board of Directors on 11 November 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, 24th 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 period 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 30 September 2020 was 12,225 stores (*31 December 2019: 11,712 stores*).

	30 September 2020	31 December 2019
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	5,527	5,215
The Company franchises the license to other retailers		
- under management agreements	5,876	5,687
- under sub-license agreements	822	810
Total	12,225	11,712

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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

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

The Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases* which disclosed impact from changes to significant accounting policies in condensed note 3 to the interim financial statements.

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In addition, the Federation of Accounting Professions has issued a number of revised TFRS which are effective for annual financial periods beginning on or after 1 January 2021. The Group has not early adopted these standards in preparing these interim financial statements. The Group assessed the potential impact on the financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Use of judgements and estimates

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

3 Changes in accounting policies

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

		Consolidated financial statements		Separate financial statements
		Retained earnings	Non-controlling interests	Retained earnings
	<i>Note</i>	<i>(in million Baht)</i>		
At 31 December 2019 - as previously reported		65,853	14,629	48,682
<i>Increase (decrease) due to:</i>				
Adoption of TFRS - Financial instruments standards				
Classification of financial instruments	<i>A(1)</i>	6	-	6
Impairment losses on financial assets	<i>A(2)</i>	-	-	-
Adoption of TFRS 16 - net of tax	<i>B</i>	(1,417)	13	(1,439)
At 1 January 2020 - restated		64,442	14,642	47,249

A. TFRS - Financial instruments standards

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

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

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(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains 3 principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

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

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

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group’s financial assets and financial liabilities as at 1 January 2020.

Consolidated financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in million Baht)	Fair value through other comprehensive income	Amortised cost - net
Cash and cash equivalents	29,861	-	-	29,861
Current investments	659	-	-	659
Trade accounts receivable	1,718	-	-	1,718
Other current receivables*	7,729	-	-	7,502
Investment in related company	34	-	34	-
Other long-term investments	2	-	2	-
Other non-current receivables*	1,576	-	-	161
Total	41,579	-	36	39,901

**At 31 December 2019, the outstanding balance of prepaid rental and service fees under the terms of lease and service agreements which were recorded in the accounts “other current receivables” and “other non-current receivables”, totaling Baht 142 million and Baht 1,415 million, respectively, have been reclassified to the new account “right-of-use assets” under TFRS 16 at 1 January 2020.*

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Consolidated financial statements (Continued)

	Classification under previous standards at 31 December 2019	Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss <i>(in million Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Short-term borrowings from financial institutions	3,327	-	-	3,327
Trade accounts payable	78,550	-	-	78,550
Other payables	15,170	-	-	15,170
Contract liabilities	794	-	-	794
Short-term borrowings from other parties	14	-	-	14
Debentures	132,884	-	-	132,793
Long-term borrowings from financial institutions	8,838	-	-	8,838
Accrued guarantee deposits	3,926	-	-	3,926
Total	243,503	-	-	243,412

Separate financial statements

	Classification under previous standards at 31 December 2019	Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss <i>(in million Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Cash and cash equivalents	17,895	-	-	17,895
Trade accounts receivable	116	-	-	116
Other current receivables**	5,174	-	-	5,059
Short-term loans to subsidiaries	6,117	-	-	6,117
Investment in related company	34	-	34	-
Other non-current receivables**	1,086	-	-	-
Total	30,422	-	34	29,187
Short-term borrowings from financial institutions	2,500	-	-	2,500
Trade accounts payable	41,332	-	-	41,332
Other payables	18,497	-	-	18,497
Short-term borrowings from subsidiary	700	-	-	700
Debentures	132,884	-	-	132,793
Accrued guarantee deposits	3,859	-	-	3,859
Total	199,772	-	-	199,681

***At 31 December 2019, the outstanding balance of prepaid rental and service fees under the terms of lease and service agreements which were recorded in the accounts "other current receivables" and "other non-current receivables", totaling Baht 30 million and Baht 1,086 million, respectively, have been reclassified to the new account "right-of-use assets" under TFRS 16 at 1 January 2020.*

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The Group and Company intends to hold non-marketable equity securities amounted of Baht 36 million and Baht 34 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

<i>Impact from the classification of financial instruments</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
<i>At 1 January 2020</i>		
Decrease in other current receivables	(85)	(85)
Decrease in debentures	91	91
Increase in retained earnings	(6)	(6)

(2) Impairment - Financial assets

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

The Group considered that there was no material impact from the application of TFRS 9’s impairment requirements at 1 January 2020.

B. TFRS 16 Leases

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

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price. As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and lease liabilities for leases of low-value assets;
- use hindsight when determining the lease term; and
- apply a single discount rate to a portfolio of leases with similar characteristics.

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	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in other current receivables	(142)	(30)
Decrease in other current assets	(141)	(21)
Decrease in other non-current receivables	(1,415)	(1,086)
Decrease in property, plant and equipment	(521)	-
Increase in right-of-use assets	50,463	38,669
Decrease in leasehold rights	(3,917)	(361)
Increase in deferred tax assets	391	391
Decrease in other payables	16	-
Decrease in current portion of finance lease liabilities	92	-
Increase in lease liabilities	(47,568)	(39,199)
Decrease in finance lease liabilities	549	-
Decrease in other non-current liabilities	789	198
Decrease in retained earnings	1,417	1,439
Increase in non-controlling interests	(13)	-
	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	57,027	42,768
Recognition exemption for short-term leases	(589)	(582)
Recognition exemption for leases of low-value assets	(26)	(23)
Extension and termination options reasonably certain to be exercised	52	-
Leases considered as service contracts	(90)	-
Additional leases considered as lease contracts	272	87
Impact from commitment recorded on a straight-line basis	607	-
	57,253	42,250
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	46,933	39,199
Finance lease liabilities recognised as at 31 December 2019	641	-
Exchange differences on translating financial statements	(6)	-
Lease liabilities recognised at 1 January 2020	47,568	39,199
Weighted-average incremental borrowing rate (% per annum)	2.9	2.2

Right-of-use assets and lease liabilities shown above were presented as part of convenience stores, cash and carry and other segments, respectively.

CP ALL Public Company Limited and its Subsidiaries
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4 Impact of COVID-19 pandemic

Due to the COVID-19 pandemic at the beginning of the year 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 30 September 2020, the situation of COVID-19 pandemic is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic on the following:

(a) Impairment of assets

The Group considered impairment of trade accounts receivable and other current receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, investment properties and intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill and other intangible assets with an indefinite useful life.

(b) Lease modifications

The Company was granted a rent concession starting from April 2020 as a result of the COVID-19 situation. The Company has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of right-of-use assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences on a granted rent concession in statement of income for the three-month and nine-month periods ended 30 September 2020, amounting to Baht 17 million and Baht 22 million, respectively, in the interim financial statements.

(c) Fair value measurement

The Group elected to measure investment in non-marketable equity securities at 30 September 2020 using fair values at 1 January 2020.

5 Related parties

Relationships with subsidiaries and associate are described in condensed notes 6 and 7 to the interim financial statements, respectively. Relationships with key management and other related parties, as well as, pricing policies for particular types of transactions with related parties have no material changes during the three-month and nine-month periods ended 30 September 2020.

CP ALL Public Company Limited and its Subsidiaries

Condensed notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

Significant transactions for the three-month and nine-month periods ended 30 September 2020 and 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
<i>For the three-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	439	179
Interest income	-	-	68	73
Dividend income	-	-	2,086	2,036
Other income	-	-	445	498
Distribution costs	-	-	403	392
Administrative expenses	-	-	936	681
Finance costs	-	-	5	8
Purchases of goods and services	-	-	6,461	6,887
Purchases of property, plant and equipment and intangible assets other than goodwill	-	-	1,229	646
<i>Other related companies</i>				
Revenue from sale of goods and rendering of services	405	336	115	97
Other income	294	499	290	492
Distribution costs	55	39	-	-
Administrative expenses	278	249	211	199
Finance costs	2	-	-	-
Purchases of goods and services	17,779	13,317	12,987	8,934
Purchases of property, plant and equipment and intangible assets other than goodwill	5	2	-	-
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	238	161	163	112
Severance pay for employees	2	3	1	1
Total key management benefit expenses	240	164	164	113

CP ALL Public Company Limited and its Subsidiaries

Condensed notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	903	523
Interest income	-	-	210	222
Dividend income	-	-	6,448	6,241
Other income	-	-	1,235	1,254
Distribution costs	-	-	1,313	1,175
Administrative expenses	-	-	1,932	1,905
Finance costs	-	-	26	10
Purchases of goods and services	-	-	19,675	20,291
Purchases of property, plant and equipment and intangible assets other than goodwill	-	-	2,990	2,269
<i>Other related companies</i>				
Revenue from sale of goods and rendering of services	1,231	1,084	304	317
Other income	1,327	1,301	1,298	1,281
Distribution costs	141	97	-	-
Administrative expenses	796	697	585	539
Finance costs	5	-	-	-
Purchases of goods and services	47,068	39,191	32,760	26,779
Purchases of property, plant and equipment and intangible assets other than goodwill	14	11	-	-
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	580	624	392	439
Severance pay for employees	8	8	3	2
Total key management benefit expenses	588	632	395	441

Balances as at 30 September 2020 and 31 December 2019 with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Related companies	236	232	-	-
Less allowance for impairment (2019: allowance for doubtful accounts)	-	-	-	-
Net	236	232	-	-

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Impairment losses (2019: Bad and doubtful debts) for the				
- three-month period ended 30 September	-	-	-	-
- nine-month period ended 30 September	-	-	-	-

Other receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Current				
Subsidiaries	-	-	1,045	795
Other related companies	620	839	509	703
Total	620	839	1,554	1,498
Non-current				
Subsidiary	-	-	-	74
Total	-	-	-	74

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Impairment losses (2019: Bad and doubtful debts) for the				
- three-month period ended 30 September	-	-	-	-
- nine-month period ended 30 September	-	-	-	-

Short-term loans to subsidiaries

Movements during the nine-month period ended 30 September 2020 were as follows:

	Interest rate		Separate financial statements			
	31 December 2019	30 September 2020	31 December 2019	Increases	Decreases	30 September 2020
	<i>(% per annum)</i>			<i>(in million Baht)</i>		
Subsidiaries	4.75	4.75	6,117	83	(650)	5,550
Total			6,117			5,550

As at 30 September 2020 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

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<i>Investment in related company</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
True GS Co., Ltd.	34	34	34	34
Total	34	34	34	34

All investment in related company of the Company as at 30 September 2020 and 31 December 2019 was denominated entirely in Thai Baht.

<i>Other non-current assets</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Subsidiaries	-	-	231	341
Total	-	-	231	341

<i>Trade accounts payable</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Subsidiaries	-	-	2,505	2,578
Other related companies	6,060	8,059	3,348	4,524
Total	6,060	8,059	5,853	7,102

<i>Other payables</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Subsidiaries	-	-	7,658	10,223
Other related companies	290	222	57	57
Total	290	222	7,715	10,280

Short-term borrowings from subsidiary

Movements during the nine-month period ended 30 September 2020 were as follows:

	Interest rate		Separate financial statements			
	31 December 2019	30 September 2020	31 December 2019	Increase	Decrease	30 September 2020
	<i>(% per annum)</i>			<i>(in million Baht)</i>		
Subsidiary	4.50	-	700	300	(1,000)	-
Total			700			-

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<i>Lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Other related companies	204	-	-	-
Total	204	-	-	-

Significant agreements with related parties

The Group had no new agreements with related parties during the nine-month period ended 30 September 2020.

6 Investments in subsidiaries

Movements during the nine-month periods ended 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	-	-	199,527	197,610
Increases	-	-	1,483	1,917
At 30 September	-	-	201,010	199,527
At 31 December		-		199,527

Details of the increases in investments in subsidiaries during the nine-month periods ended 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Albuera International Limited	-	-	125	-
All Corporation Limited	-	-	200	-
ALL Wellness Co., Ltd.	-	-	175	-
Lotus Distribution Investment Limited	-	-	983	1,129
Thai Smart Card Co., Ltd.	-	-	-	788
Total	-	-	1,483	1,917

Additional investment

Albuera International Limited

During the first quarter of 2020, a foreign subsidiary (Albuera International Limited) collected from the called for additional paid-up share capital of United States Dollars 3.99 million; from United States Dollar 1 to United States Dollars 4 million.

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All Corporation Limited

During the third quarter of 2020, a local subsidiary (All Corporation Limited) increased its authorised share capital and collected from the called for additional paid-up share capital of Baht 200 million; from Baht 50 million to Baht 250 million.

ALL Wellness Co., Ltd.

During the third quarter of 2020, a local subsidiary (ALL Wellness Co., Ltd.) increased its authorised share capital of Baht 350 million; from Baht 1 million to Baht 351 million, and collected from the called for additional paid-up share capital of Baht 175 million; from Baht 1 million to Baht 176 million.

Lotus Distribution Investment Limited

During the second quarter of 2020, a foreign subsidiary (Lotus Distribution Investment Limited) collected from the called for additional paid-up share capital of United States Dollars 30 million; from United States Dollars 280 million to United States Dollars 310 million.

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.

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 shares, 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.

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Investments in subsidiaries as at 30 September 2020 and 31 December 2019, and dividend income for the nine-month periods ended 30 September 2020 and 2019 were as follows:

Separate financial statements												
Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital		At cost		Dividend income for the nine-month period ended			
			30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	30 September 2019		
<i>(in million Baht)</i>												
Local direct subsidiaries												
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	810	-	-	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	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	1,100	980		
All Corporation Limited	Holding company	Thailand	99.99	99.99	250	50	250	50	-	-	-	-
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	405	375		
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	300	250		

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Separate financial statement (Continued)													
Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital						Dividend income for the nine-month period ended		
					September 2020		December 2019		September 2020			December 2019	
					30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019		30 September 2020	31 December 2019
(in million Baht)													
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	20	146	100		
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	1,299	1,294		1,294		
ALL Now Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	100	100		100		
ALL Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	50	100		100		
ALL Wellness Co., Ltd.	Digital innovation healthcare services and consultation by medical specialists	Thailand	99.99	99.99	176	1	176	-	-		-		
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	15	5		5		
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	30	40		40		
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	99.99	99.99	1,600	1,600	1,939	-	-		-		
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	1,248	1,243		1,243		
Siam Makro Public Company Limited	Cash and carry	Thailand	38.07	38.07	2,400	2,400	73,203	1,755	1,754		1,754		
Total							190,388	190,013	6,448	6,241			

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Separate financial statements (Continued)									
Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital		At cost		Dividend income for the nine-month period ended
			30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
(in million United States Dollars)									
(in million Baht)									
Foreign direct subsidiaries									
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	310	280	10,497	9,514	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	4	.*	125	.*	-
Total							10,622	9,514	-
Grand total							201,010	199,527	6,448
									6,241

* 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.

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Details of the Company's indirect subsidiaries as at 30 September 2020 and 31 December 2019 only those with changes during the nine-month period ended 30 September 2020 were as follows:

Name of parties	Type of business	Country of operation	Ownership interests	
			30 September 2020	31 December 2019
			(%)	
Local indirect subsidiary				
- Investment through All Corporation Limited				
ALL GUARDIAN CO., LTD.	Health and beauty products retailer	Thailand	64.99	-
Foreign indirect subsidiaries				
- Investment through All Corporation Limited				
ALL CONVENIENCE LOGISTIC CO., LTD.	Logistics and distribution of merchandises services	Cambodia	99.99	-
- Investment through Albuera International Limited				
CP ALL (CAMBODIA) CO., LTD.	Convenience stores	Cambodia	100.00	-
CP ALL LAOS COMPANY LIMITED	Convenience stores	Laos	99.99	-
- Investment through Siam Makro Public Company Limited				
Indoguna (Cambodia) Company Limited*	Importing and trading of food related products	Cambodia	93.07	65.15

*On 24 June 2020, At the Board of Directors' meeting of a local indirect subsidiary (Siam Food Services Limited ("SFS")), a subsidiary of 99.99% of total issued and paid-up shares owned by Siam Makro Public Company Limited, approved additional investment in a foreign subsidiary (Indoguna (Cambodia) Company Limited ("INDC")) through purchasing 60,000 shares from non-controlling interests, bringing SFS's total investment in INDC's paid-up share capital to 100% and the Company's total investment in INDC's paid-up share capital to 93.07%. The purchase of shares was completed in July 2020. The Group recognised an increase in non-controlling interests of Baht 0.99 million and deficit from changes in ownership interest in subsidiary of Baht 19.98 million. SFS paid for the purchase of shares, totaling Baht 12.66 million in cash.

7 Investment in associate

Movements during the nine-month periods ended 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in million Baht)				
At 1 January	-	-	-	-
Increases	502	-	502	-
Less loss relating to the investment accounted for using the equity method	(128)	-	-	-
At 30 September	374	-	502	-
At 31 December	-	-	-	-

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Details of the increases in investment in associate during the nine-month periods ended 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
C.P. Retail Holding Company Limited	502	-	502	-
Total	502	-	502	-

During the first quarter of 2020, the Company acquired 40% of total issued and paid-up ordinary shares of C.P. Retail Holding Company Limited (“CPRH”) which owned 99.99% in C.P. Retail Development Company Limited’s (the “buyer”) share capital. This investment is to acquire shares or economic interests of up to 40% of the total issued shares in Tesco Stores (Thailand) Limited holding 99.99% of the shares in Ek-Chai Distribution System Co., Ltd. which operates retail business under Tesco Lotus brand in Thailand and Tesco Stores (Malaysia) Sdn. Bhd. which operates retail business under Tesco brand in Malaysia (together referred to as the “Tesco Asia Group”). The value of the investment by the Company through CPRH in relation to the Tesco Asia Group investment transaction will be approximately United States Dollars 3,000 million (or equivalent to Baht 95,981 million). The buyer entered into a sale and purchase agreement dated 9 March 2020 with Tesco Holdings Limited and Tesco Holdings B.V. (together referred to as the “sellers”). Details and conditions with respect to the Tesco Asia Group investment transaction will be in accordance with the sale and purchase agreement, and subject to the satisfaction of the conditions precedent which are stipulated in the agreement. Management expects such conditions precedent to be completed within the second half of 2020.

CPRH is a special purpose vehicle and incorporated in Thailand on 6 March 2020 which had an initial authorised share capital of Baht 5 million and called for fully paid-up share capital. Subsequently on 25 March 2020, CPRH’s Board of Directors approved to increase the authorised share capital of Baht 2,500 million and to call for 25% of additional paid-up share capital of Baht 625 million. The registration of the increased authorised share capital and the additional paid-up share capital were completed in March 2020.

Later, during the third quarter of 2020, CPRH called for another 25% of additional paid-up share capital of Baht 625 million; from Baht 630 million to Baht 1,255 million. The additional paid-up share capital was completed in September 2020. The Company invested 40% of the total paid-up share capital in CPRH, totaling Baht 502 million.

Subsequently on 9 November 2020, the buyer has received a letter from the Office of Trade Competition Commission which notifies the approval with prescribed conditions in respect of the purchase by the buyer of the shares in Tesco Stores (Thailand) Limited. In this regard, the buyer is in the process of considering and reviewing such conditions.

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Investment in associate as at 30 September 2020 and 31 December 2019, and dividend income for the nine-month periods ended 30 September 2020 and 2019 were as follows:

Consolidated financial statements												
Type of business	Ownership interest	Paid-up capital		At cost		Equity		Dividend income for the nine-month period ended				
		30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019					
		(in million Baht)										
Associate C.P. Retail Holding Company Limited Total	Holding company	40	-	1,255	-	502	-	374	-	-	-	
				502	-	374				-		
Separate financial statements												
Ownership interest	Paid-up capital	At cost		Impairment		At cost - net		Dividend income for the nine-month period ended				
		30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019					
		(in million Baht)										
Associate C.P. Retail Holding Company Limited Total	40	-	1,255	-	502	-	-	502	-	-	-	
				502	-	502				-		

None of the Group's associate is publicly listed and consequently does not have published price quotations.

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8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 30 September 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in million Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land	48	-	47	-
Buildings, building and right-of-use improvements	3,660	113	1,988	101
Machinery and equipment	5,031	32	2,724	16
Furniture, fixtures and office equipment	1,428	24	1,834	22
Assets under construction and installation	5,963	5,303	3,291	2,226
Other	805	12	480	11
Total	16,935	5,484	10,364	2,376

Movements of property, plant and equipment during the nine-month period ended 30 September 2020 were as follows:

	<i>Note</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
Net book value as at 31 December 2019 - as previously reported		116,082	35,096
Transfers to right-of-use assets	3	(521)	-
Net book value as at 1 January 2020		115,561	35,096
Additions		16,935	10,364
Disposals and write-off		(5,484)	(2,376)
Depreciation		(8,089)	(4,985)
Impairment losses on plant and equipment		(3)	-
Exchange differences on translating financial statements		693	-
Net book value as at 30 September 2020		119,613	38,099

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9 Right-of-use assets

Movements of right-of-use assets during the nine-month period ended 30 September 2020 were as follows:

Consolidated financial statements							
	Note	Land	Building	Machinery and equipment (in million Baht)	Furniture, Fixtures and office equipment	Vehicles	Total
At 1 January 2020	3	18,179	31,122	927	46	189	50,463
Additions		3,302	6,680	370	18	101	10,471
Disposals		(199)	(1,375)	(2)	-	(4)	(1,580)
Depreciation*		(1,344)	(5,266)	(144)	(17)	(76)	(6,847)
Exchange differences on translating financial statements		116	40	-	-	1	157
At 30 September 2020		<u>20,054</u>	<u>31,201</u>	<u>1,151</u>	<u>47</u>	<u>211</u>	<u>52,664</u>

Separate financial statements				
	Note	Land	Building (in million Baht)	Total
At 1 January 2020	3	10,481	28,188	38,669
Additions		3,114	6,564	9,678
Disposals		(199)	(1,374)	(1,573)
Depreciation*		(1,065)	(4,889)	(5,954)
At 30 September 2020		<u>12,331</u>	<u>28,489</u>	<u>40,820</u>

**The Company was granted a rent concession as a result of the COVID-19 situation. The Company has reversed depreciation of right-of-use assets in proportion to the reduced rental in the consolidated and separate statements of income for the three-month and nine-month periods ended 30 September 2020, amounting to Baht 153 million and Baht 234 million, respectively, in the interim financial statements.*

10 Debentures

Movements during the nine-month periods ended 30 September 2020 and 2019 were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Brought forward balance - as previously reported		132,884	140,878	132,884	140,878
Impact of changes in accounting policies	3	(91)	-	(91)	-
At 1 January		132,793	140,878	132,793	140,878
Increases, net of bond issuance cost		32,468	15,000	32,468	15,000
Decreases		(1,500)	(22,994)	(1,500)	(22,994)
Interest paid calculated using effective interest rate method		18	-	18	-
At 30 September		163,779	132,884	163,779	132,884
At 31 December			132,884		132,884

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Debentures 1/2020

On 13 May 2020 the Company issued Baht 7,500 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital, divided into:

- Debentures term of 7 years of Baht 1,699 million, fully repayable on 13 May 2027 and bearing interest at the fixed rate of 2.90% per annum
- Debentures term of 10 years of Baht 2,169 million, fully repayable on 13 May 2030 and bearing interest at the fixed rate of 3.29% per annum
- Debentures term of 12 years of Baht 3,632 million, fully repayable on 13 May 2032 and bearing interest at the fixed rate of 3.59% per annum

These series of debentures have a credit rating of “AA-” latest updated by TRIS Ratings (Thailand) Limited on 21 July 2020 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 13 May 2020.

Debentures 2/2020

On 29 September 2020 the Company issued Baht 25,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital, divided into:

- Debentures term of 2 years 5 months 17 days of Baht 6,000 million, fully repayable on 18 March 2023 and bearing interest at the fixed rate of 1.90% per annum
- Debentures term of 4 years 9 months 1 day of Baht 13,200 million, fully repayable on 30 June 2025 and bearing interest at the fixed rate of 3.00% per annum
- Debentures term of 9 years 7 months 14 days of Baht 2,350 million, fully repayable on 13 May 2030 and bearing interest at the fixed rate of 3.40% per annum
- Debentures term of 15 years of Baht 3,450 million, fully repayable on 29 September 2035 and bearing interest at the fixed rate of 3.90% per annum

These series of debentures have a credit rating of “AA-” updated by TRIS Ratings (Thailand) Limited on 21 July 2020 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 29 September 2020.

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.

Siam Makro Public Company Limited shares as at 30 September 2020, 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 75,876 million.

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11 Perpetual subordinated debentures

As at 30 September 2020 the Company had perpetual subordinated debentures (“Debentures”) of totaling Baht 19,909 million, net of issuance cost of Baht 91 million, which were recognised as a part of equity in the interim consolidated and separate financial statements for the nine-month period ended 30 September 2020. The company has not deferred any interest payments to the perpetual subordinated debentures. Cumulative interest for the three-month and nine-month periods ended 30 September 2020 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 252 million and Baht 751 million, respectively (*30 September 2019: Baht 252 million and Baht 748 million, respectively*). During the year of 2020 the Company paid interest expenses on perpetual subordinated debentures to the holders of Baht 751 million (*2019: Baht 748 million*).

As at 30 September 2020, the Company classified perpetual subordinated debentures as a part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation*, which became 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, which the Company applied this announcement. If, as at 30 September 2020, the Company classified the perpetual subordinated debentures as financial liability, total liabilities and equity of the company would increase and decrease by Baht 19,909 million.

12 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 98%) 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.

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Disaggregation of revenues, timing of revenue recognition and results, based on segments, in the interim consolidated financial statements for the three-month and nine-month periods ended 30 September 2020 and 2019 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the three-month period ended 30 September</i>										
Types of revenues										
Revenue from sale of goods	73,984	82,728	52,925	49,856	8,613	8,544	(7,922)	(8,041)	127,600	133,087
Revenue from rendering of services	323	331	946	929	2,876	2,720	(1,755)	(1,474)	2,390	2,506
Revenue from sale of goods and rendering of services to external customers	74,307	83,059	53,871	50,785	11,489	11,264	(9,677)	(9,515)	129,990	135,593
Total revenues	81,968	90,558	54,148	50,987	11,766	11,522	(12,382)	(12,165)	135,500	140,902
Timing of revenue recognition										
At a point of time	74,307	83,059	52,925	49,856	10,836	9,959	(9,193)	(8,889)	128,875	133,985
Overtime	-	-	946	929	653	1,305	(484)	(626)	1,115	1,608
Total	74,307	83,059	53,871	50,785	11,489	11,264	(9,677)	(9,515)	129,990	135,593
Segment profit before income tax expense	3,851	6,106	1,983	1,803	1,262	957	(2,317)	(2,102)	4,779	6,764

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	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in million Baht)									
For the nine-month period ended 30 September										
Types of revenues										
Revenue from sale of goods	226,600	247,560	158,375	151,550	24,807	24,413	(22,883)	(22,550)	386,899	400,973
Revenue from rendering of services	921	993	2,723	2,646	8,592	7,953	(5,073)	(4,638)	7,163	6,954
Revenue from sale of goods and rendering of services to external customers	227,521	248,553	161,098	154,196	33,399	32,366	(27,956)	(27,188)	394,062	407,927
Total revenues	249,641	269,937	161,687	154,796	34,140	33,035	(36,087)	(35,047)	409,381	422,721
Timing of revenue recognition										
At a point of time	227,521	248,553	158,375	151,550	30,053	27,892	(25,595)	(23,913)	390,354	404,082
Overtime	-	-	2,723	2,646	3,346	4,474	(2,361)	(3,275)	3,708	3,845
Total	227,521	248,553	161,098	154,196	33,399	32,366	(27,956)	(27,188)	394,062	407,927
Segment profit before income tax expense	13,650	18,535	5,369	4,982	3,378	2,480	(7,362)	(6,541)	15,035	19,456

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Contract balances

As at 30 September 2020 the Group had outstanding balances of contract liabilities in the interim consolidated and separate financial statements amounting to Baht 1,468 million and Baht 470 million, respectively (31 December 2019: Baht 794 million and nil, respectively). The contract liabilities arise from consideration allocated to customer loyalty programmes.

13 Leases

<i>For period ended 30 September 2020</i>	Consolidated financial statements		Separate financial statements	
	Three-month period	Nine-month period	Three-month period	Nine-month period
	<i>(in million Baht)</i>			
<i>Recognised in profit or loss</i>				
Interest on lease liabilities	317	942	221	653
Expenses relating to short-term leases	162	705	108	530
Expenses relating to leases of low-value assets	67	129	11	30
Variable lease payments based on sales	11	51	11	51

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the nine-month period ended 30 September 2020 were Baht 7,159 million and Baht 6,007 million, respectively.

14 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim reporting period.

15 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2020 and 2019 were based on the profit for the periods attributable to equity holders of the Company less cumulative interest for the periods on perpetual subordinated debentures and the number of ordinary shares outstanding during the periods as follows:

<i>For the three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	3,998	5,612	3,842	5,615
Less: cumulative interest for the period on perpetual subordinated debentures	(252)	(252)	(252)	(252)
Profit used in calculation of basic earnings per share	3,746	5,360	3,590	5,363
Number of ordinary shares outstanding during the period	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	0.42	0.60	0.40	0.60

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<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	12,530	16,176	13,172	16,952
Less: cumulative interest for the period on perpetual subordinated debentures	(751)	(748)	(751)	(748)
Profit used in calculation of basic earnings per share	11,779	15,428	12,421	16,204
Number of ordinary shares outstanding during the period	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	1.31	1.72	1.38	1.80

16 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)
<i>2020</i>				
2019 Annual dividend	15 April 2020	14 May 2020	1.25	11,229
<i>2019</i>				
2018 Annual dividend	26 April 2019	22 May 2019	1.20	10,780

17 Supplemental disclosures of cash flows information

Property, plant and equipment and intangible assets other than goodwill paid by cash during the nine-month periods ended 30 September 2020 and 2019 are detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Property, plant and equipment				
Increases during the period	11,632	11,366	8,138	7,450
Add (less) - changes in payables	165	873	462	211
- assets under finance leases	-	(12)	-	-
Purchase and paid by cash	11,797	12,227	8,600	7,661

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Intangible assets other than goodwill				
Increases during the period	720	558	496	350
Add (less) - changes in payables	19	(15)	38	(48)
Purchase and paid by cash	739	543	534	302

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18 Financial instruments

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				
	Carrying amount		Fair value		
	Fair value - applied hedge accounting	Amortised cost	Total (in million Baht)	Level 1 Level 2 Level 3	Total
30 September 2020					
<i>Financial assets</i>					
Derivatives assets	44	-	44	-	44
<i>Financial liabilities</i>					
Debentures	-	163,779	163,779	-	169,998
Long-term borrowings from financial institutions	-	8,910	8,910	-	8,966
Derivatives liabilities	602	-	602	-	602
Accrued guarantee deposits	-	3,631	3,631	-	2,942

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	Carrying amount		Separate financial statements			
	Fair value - applied hedge accounting	Amortised cost	Total	Level 1 (in million Baht)	Level 2	Level 3 Total
30 September 2020						
<i>Financial assets</i>						
Derivatives assets	44	-	44	-	44	44
<i>Financial liabilities</i>						
Debentures	-	163,779	163,779	-	169,998	169,998
Derivatives liabilities	602	-	602	-	602	602
Accrued guarantee deposits	-	3,630	3,630	-	2,941	2,941

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		Consolidated 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	
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	

		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	

Financial instruments measured at fair value for level 2

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Derivatives	Derived by a model using a valuation technique that incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

Credit risk

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

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

		Consolidated financial statements			
		Trade accounts receivable	Other current receivables	Total carrying amounts	Allowance for impairment losses
		<i>(in million Baht)</i>			
At 30 September 2020					
<i>Related parties</i>					
Within credit terms		194	73	267	-
Overdue:					
Less than 3 months		35	296	331	-
3 - 6 months		1	216	217	-
6 - 12 months		1	19	20	-
Over 12 months		5	16	21	-
Total		236	620	856	-
Less allowance for impairment		-	-	-	-
Net	5	236	620	856	

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		Consolidated financial statements			
<i>At 30 September 2020</i>		Trade	Other	Total	Allowance for
<i>(Continued)</i>	<i>Note</i>	accounts	current	carrying	impairment
		receivable	receivables	amounts	losses
		<i>(in million Baht)</i>			
<i>Other parties</i>					
Within credit terms		1,013	5,645	6,658	(4)
Overdue:					
Less than 3 months		278	387	665	(5)
3 - 6 months		42	6	48	(19)
6 - 12 months		88	8	96	(43)
Over 12 months		40	33	73	(62)
Total		1,461	6,079	7,540	(133)
Less allowance for impairment		(98)	(35)	(133)	
Net		1,363	6,044	7,407	
Grand total		1,599	6,664	8,263	
		Separate financial statements			
<i>At 30 September 2020</i>		Trade	Other	Total	Allowance for
	<i>Note</i>	accounts	current	carrying	impairment
		receivable	receivables	amounts	losses
		<i>(in million Baht)</i>			
<i>Related parties</i>					
Within credit terms		-	1,120	1,120	-
Overdue:					
Less than 3 months		-	201	201	-
3 - 6 months		-	216	216	-
6 - 12 months		-	17	17	-
Over 12 months		-	-	-	-
Total		-	1,554	1,554	-
Less allowance for impairment		-	-	-	
Net	5	-	1,554	1,554	
<i>Other parties</i>					
Within credit terms		257	3,149	3,406	(4)
Overdue:					
Less than 3 months		-	344	344	-
3 - 6 months		-	2	2	-
6 - 12 months		-	6	6	-
Over 12 months		-	12	12	(11)
Total		257	3,513	3,770	(15)
Less allowance for impairment		-	(15)	(15)	
Net		257	3,498	3,755	
Grand total		257	5,052	5,309	

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		Consolidated financial statements	Separate financial statements
		<i>(in million Baht)</i>	
Trade accounts receivable	<i>Note</i>		
At 31 December 2019			
Related parties			
Within credit terms		151	-
Overdue:			
Less than 3 months		55	-
3 - 6 months		6	-
6 - 12 months		20	-
Over 12 months		-	-
Total		232	-
Less allowance for doubtful accounts		-	-
Net	5	232	-
Other parties			
Within credit terms		1,041	116
Overdue:			
Less than 3 months		419	-
3 - 6 months		27	-
6 - 12 months		20	-
Over 12 months		23	-
Total		1,530	116
Less allowance for doubtful accounts		(44)	-
Net		1,486	116
Grand total		1,718	116
		Consolidated financial statements	Separate financial statements
		<i>(in million Baht)</i>	
Other current receivables	<i>Note</i>		
At 31 December 2019			
Related parties			
Within credit terms		496	1,160
Overdue:			
Less than 3 months		338	337
3 - 6 months		1	1
6 - 12 months		3	-
Over 12 months		1	-
Total		839	1,498
Less allowance for doubtful accounts		-	-
Net	5	839	1,498
Other parties			
Within credit terms		6,031	2,895
Overdue:			
Less than 3 months		818	774
3 - 6 months		29	11
6 - 12 months		12	-
Over 12 months		35	11
Total		6,925	3,691
Less allowance for doubtful accounts		(35)	(15)
Net		6,890	3,676
Grand total		7,729	5,174

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

Exposure to liquidity risk

The following table are the remaining contractual maturities of derivative financial assets and liabilities at the reporting date.

	Consolidated and separated financial statements				
	Contractual cash flows				Total
At 30 September 2020	Carrying amount	Within 1 year	1 - 5 years	More than 5 years	
			<i>(in million Baht)</i>		
<i>Derivative financial assets</i>					
Forward exchange contracts	44				
- Cash outflows		(23,849)	-	-	(23,849)
	<u>44</u>	<u>(23,849)</u>	<u>-</u>	<u>-</u>	<u>(23,849)</u>
<i>Derivative financial liabilities</i>					
Forward exchange contracts	602				
- Cash outflows		(59,429)	-	-	(59,429)
	<u>602</u>	<u>(59,429)</u>	<u>-</u>	<u>-</u>	<u>(59,429)</u>

The cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial assets and liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash outflow amounts for derivatives that have simultaneous gross cash settlement.

19 Commitments with non-related parties

Capital commitments

	Consolidated financial statements	Separate financial statements
At 30 September 2020	<i>(in million Baht)</i>	
Contracted but not provided for (construction costs of new plants and installation costs of machinery, and computer system development costs)	553	-
Total	<u>553</u>	<u>-</u>

Other commitments

	Consolidated financial statements	Separate financial statements
At 30 September 2020	<i>(in million Baht)</i>	
Unused letters of credit for purchase of goods and supplies	659	-
Total	<u>659</u>	<u>-</u>

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Letters of guarantee

As at 30 September 2020 the Group has commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 1,964 million and United States Dollars 0.3 million.

Significant agreements

The Group had the following significant agreements only those with changes during the nine-month period ended 30 September 2020.

- (a) A local subsidiary (Counter Service Co., Ltd.) has a service agreement with a local financial institution (“the party”). Under the terms of the agreement, the subsidiary is committed to operate as banking agent for cash deposits and/or cash withdrawals then remits funds to the party as the agreed procedures. The subsidiary can collect service income from customers as stipulated in the agreements. This agreement is effective for a period of 3 years and will expire on January 2023. 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.
- (b) 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 agent for customer identification and verification. The subsidiary can collect service income from the parties as stipulated in the agreements. These agreements are effective for a period of 3 years, started and will expire on various dates up to August 2023. 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.

20 Treasury shares

At the Board of Directors’ meeting of the Company held on 16 March 2020, the Board of directors of the Company resolved to approve the share repurchase program for financial management purpose in accordance with the Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 13,000 million. The number of ordinary shares to be repurchased is not exceeding 180 million shares (par value of Baht 1 per share); equal to 2% of the total number of paid-up share capital of the Company. In this regard, the Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from 1 April 2020 to 30 September 2020. The last date to resale such repurchase shares shall not be later than 30 September 2023. In consideration thereof, the share repurchase program was completed on 30 September 2020 and the Company did not repurchase any ordinary shares.

21 Events after the reporting period

- 21.1 In October 2020, a local associate (C.P. Retail Holding Company Limited) called for the remaining paid-up share capital of Baht 1,250 million. The additional paid-up share capital was completed in October 2020. Total paid-up share capital was Baht 2,505 million.
- 21.2 In October 2020, a local indirect subsidiary (Makro ROH Co., Ltd.) called for additional paid-up share capital of Baht 140 million and Baht 35 million respectively. The additional paid-up share capital was completed in October 2020 and expected to be completed within November 2020, respectively. Total paid-up share capital was Baht 4,532 million.

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- 21.3 In October 2020 a foreign indirect subsidiary (CP Wholesale India Private Limited) called for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 300 million. The additional paid-up share capital was completed in October 2020. Therefore, the total paid-up share capital was amounted to INR 671 million with the share premium of INR 3,429 million.
- 21.4 On 22 October 2020 a foreign indirect subsidiary's (Makro (Guangzhou) Food Company Limited) Board of Directors and shareholders approved to increase the authorised share capital of China Renminbi 9 million (increase from China Renminbi 102 million to China Renminbi 111 million). The registration of the increase authorised share capital and the additional paid-up share capital were expected to be completed in November 2020.

22 Reclassification of accounts

Certain accounts in the statement of income for the three-month and nine-month periods ended 30 September 2019 have been reclassified to conform to the presentation of the interim financial statements for the three-month and nine-month periods ended 30 September 2020 as follows:

	2019					
	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
Statement of income						
- three-month period ended 30 September						
Revenue from sale of goods and rendering of services	(135,763)	170	(135,593)	(83,229)	170	(83,059)
Distribution costs	23,639	(170)	23,469	19,968	(170)	19,798
		<u>-</u>			<u>-</u>	
Statement of income						
- nine-month period ended 30 September						
Revenue from sale of goods and rendering of services	(408,390)	463	(407,927)	(249,016)	463	(248,553)
Distribution costs	69,344	(463)	68,881	58,636	(463)	58,173
		<u>-</u>			<u>-</u>	

These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.