

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

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of CP ALL Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries (the "Group") and of CP ALL Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories	
Refer to notes 4(g) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management's judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories. I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood the inventory control and management policy and the estimation of net realisable value of inventories. - Tested a sample of the aging of inventory and the reasonableness of assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories determined by management and compared that percentage with information for destruction and shrinkage inventories. - Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value. - Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Impairment of goodwill and other intangible assets	
Refer to notes 4(j), 4(m), 15 and 16 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition.</p> <p>The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions.</p> <p>The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood the process of the estimated recoverable amount to assess the impairment. - Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions. - Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.



First time adoption of TFRS 16 Leases	
Refer to notes 3(b), 4(k), 14, 17 and 24 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group leases several land and buildings. The first time adoption of TFRS 16 required management to identify all contracts that contain a lease. Management had to collect a high amount of data to identify all leases and determine their contractual terms such as lease period, discount rate, renewal options, non-lease components, etc.</p> <p>The Group elected to use the modified retrospective transition approach as at 1 January 2020 recognising the right-of-use assets and lease liabilities at that date and adjusting the cumulative effect of the adoption of TFRS 16 in retained earnings.</p> <p>As at 31 December 2020, the Group recognised right-of-use assets amounting to Baht 52,899 million and Baht 41,011 million and lease liabilities amounting to Baht 50,583 million and Baht 42,018 million in consolidated and separate statement of financial position, respectively.</p> <p>Due to the first time adoption of TFRS 16 relevant to high degree of judgement and the material impact to the Group's financial statements, I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the Group's policy, data collection process, and process for, and controls over, identification of all leases and the determination of their contractual terms. - Obtained the Group's quantification of right-of-use assets and the lease liabilities. For a sample of leases, corroborated the values recognised with the data collected and assessed the appropriateness of the determination of the lease terms and the calculation of the right-of-use assets and lease liabilities. - Tested the reconciliation to the Group's operating lease commitments as reported in the prior year financial statements, and verified the key service contracts to assess whether they contained a lease under TFRS 16. - Assessed the methodology, and significant assumptions adopted by management in determining discount rate. - Tested the calculation of the adjustment on first time adoption of TFRS 16. - Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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





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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2021

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	7	40,589,081,046	29,860,512,542	21,577,546,296	17,895,285,548
Current investments	8	36,568,950	658,571,919	-	-
Trade accounts receivable	6, 32	1,650,221,749	1,718,002,000	251,727,193	116,091,721
Other current receivables	6, 32	7,177,743,244	7,729,043,159	5,264,342,188	5,174,188,651
Short-term loans to subsidiaries	6	-	-	5,500,000,000	6,116,500,000
Inventories	6, 9	31,748,781,315	31,537,849,390	15,107,036,417	14,683,841,916
Derivatives assets	32	513,478	-	-	-
Other current assets		201,038,039	419,217,414	162,829,906	273,570,235
Total current assets		81,403,947,821	71,923,196,424	47,863,482,000	44,259,478,071
Non-current assets					
Investments in subsidiaries	11	-	-	201,010,496,273	199,527,531,304
Investment in associate	10	85,552,404,610	-	85,634,847,791	-
Investment in related company	6	34,000,000	34,000,000	34,000,000	34,000,000
Other long-term investments		2,041,800	2,041,800	-	-
Other non-current receivables	6	170,938,304	1,576,268,311	-	1,085,642,493
Investment properties		332,832,502	332,832,502	-	-
Property, plant and equipment	6, 13	120,198,568,265	116,082,072,184	39,068,823,978	35,095,978,841
Right-of-use assets	14	52,898,697,527	-	41,010,868,851	-
Leasehold rights		-	3,916,632,928	-	361,117,272
Goodwill	15	128,096,020,528	128,096,020,528	-	-
Intangible assets other than goodwill	6, 16	51,706,294,153	51,383,824,998	1,973,594,681	1,688,978,185
Deferred tax assets	29	1,786,493,870	1,291,216,517	1,117,351,038	626,103,383
Other non-current assets	6	1,172,090,328	979,348,056	1,290,810,764	1,237,966,689
Total non-current assets		441,950,381,887	303,694,257,824	371,140,793,376	239,657,318,167
Total assets		523,354,329,708	375,617,454,248	419,004,275,376	283,916,796,238

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Short-term borrowings from					
financial institutions	17, 32	1,050,248,650	3,326,783,629	-	2,500,000,000
Trade accounts payable	6, 18, 32	72,777,713,069	78,549,536,720	36,492,527,894	41,331,658,456
Other payables	6, 19, 32	14,799,539,482	15,169,853,937	15,521,456,203	18,496,677,333
Contract liabilities	23	957,796,709	794,163,919	-	-
Short-term borrowings from					
subsidiary	6, 17	-	-	-	700,000,000
Short-term borrowings from					
other parties	17, 32	6,007,420	14,473,920	-	-
Current portion of debentures	17, 32	14,500,841,304	12,289,800,000	14,500,841,304	12,289,800,000
Current portion of long-term					
borrowings from financial					
institutions	17, 32	5,324,505,824	238,688,568	-	-
Current portion of lease liabilities					
(2019: Current portion of					
finance lease liabilities)	6, 17, 32	7,400,519,692	92,346,896	6,772,163,533	-
Income tax payable		1,210,134,515	1,532,910,483	-	379,237,114
Derivatives liabilities	32	4,387,302,372	-	4,386,416,127	-
Other current liabilities		968,039,779	908,597,642	641,007,820	638,077,789
Total current liabilities		123,382,648,816	112,917,155,714	78,314,412,881	76,335,450,692
Non-current liabilities					
Debentures	17, 32	138,494,974,464	120,593,800,000	138,494,974,464	120,593,800,000
Long-term borrowings from					
financial institutions	17, 32	83,007,576,748	8,599,261,480	79,620,397,657	-
Lease liabilities					
(2019: Finance lease liabilities)	6, 17, 32	43,182,892,255	549,429,782	35,246,188,174	-
Provisions for employee benefits	20	5,085,198,792	4,842,898,783	2,866,139,225	2,771,801,939
Accrued guarantee deposits	32	3,633,861,139	3,926,376,529	3,621,843,281	3,858,827,866
Deferred tax liabilities	29	14,946,902,816	15,003,566,594	-	-
Other non-current liabilities		25,244,743	817,168,878	-	198,315,656
Total non-current liabilities		288,376,650,957	154,332,502,046	259,849,542,801	127,422,745,461
Total liabilities		411,759,299,773	267,249,657,760	338,163,955,682	203,758,196,153

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity <i>(Continued)</i>	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Equity					
Share capital					
Authorised share capital					
<i>(8,986 million ordinary shares,</i>					
<i>par value at Baht 1 per share)</i>		8,986,296,048	8,986,296,048	8,986,296,048	8,986,296,048
Issued and paid-up share capital					
<i>(8,983 million ordinary shares,</i>					
<i>par value at Baht 1 per share)</i>		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	21				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Deficit from changes in ownership					
interests in subsidiaries	21	(1,462,713,268)	(1,442,732,789)	-	-
Retained earnings					
Appropriated					
Legal reserve	21	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		68,357,833,009	65,853,268,522	49,363,747,267	48,682,027,658
Perpetual subordinated debentures	22	19,909,154,200	19,909,154,200	19,909,154,200	19,909,154,200
Other components of equity		(1,612,948,189)	(2,148,249,520)	-	-
Equity attributable to equity					
holders of the Company		96,758,743,979	93,738,858,640	80,840,319,694	80,158,600,085
Non-controlling interests	12	14,836,285,956	14,628,937,848	-	-
Total equity		111,595,029,935	108,367,796,488	80,840,319,694	80,158,600,085
Total liabilities and equity		523,354,329,708	375,617,454,248	419,004,275,376	283,916,796,238

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

CP ALL Public Company Limited and its Subsidiaries

Statement of income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenues	6				
Revenue from sale of goods and rendering of services		525,884,319,399	550,900,785,536	300,705,032,096	334,061,076,230
Interest income		156,535,609	294,467,357	337,590,810	481,282,052
Dividend income		299,638	256,406	6,768,016,930	6,571,094,577
Net foreign exchange gain		225,976,671	103,577,238	146,908,098	887,417
Other income	25	20,322,864,346	19,810,971,226	20,572,106,313	19,919,733,731
Total revenues		546,589,995,663	571,110,057,763	328,529,654,247	361,034,074,007
Expenses	6				
Cost of sale of goods and rendering of services		410,880,026,805	426,063,155,887	216,980,999,314	240,234,513,413
Distribution costs		91,135,550,810	93,390,375,345	77,152,016,030	79,182,021,703
Administrative expenses		16,722,647,070	18,171,689,335	11,981,566,379	13,294,425,941
Total expenses		518,738,224,685	537,625,220,567	306,114,581,723	332,710,961,057
Profit from operating activities		27,851,770,978	33,484,837,196	22,415,072,524	28,323,112,950
Finance costs	6, 28	8,525,992,023	6,720,979,703	7,822,083,157	6,326,018,579
Share of loss of associate accounted for using equity method		63,415,210	-	-	-
Profit before income tax expense		19,262,363,745	26,763,857,493	14,592,989,367	21,997,094,371
Income tax expense	29	2,759,491,185	4,069,742,965	295,026,227	1,816,992,522
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
Profit attributable to:					
Equity holders of the Company		16,102,416,901	22,343,084,745	14,297,963,140	20,180,101,849
Non-controlling interests	12	400,455,659	351,029,783	-	-
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
Basic earnings per share (in Baht)	30	1.68	2.38	1.48	2.14

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

CP ALL Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		558,361,729	(860,288,021)	-	-
Loss on cash flow hedges	10, 32	(4,698,469,364)	-	(4,698,469,364)	-
Gain on cash flow hedges	32	391,556,381	-	391,556,381	-
Gain on cash flow hedges reclassified to profit or loss	32	(391,556,381)	-	(391,556,381)	-
Share of other comprehensive income of associate accounted for using equity method		(19,027,971)	-	-	-
		<u>(4,159,135,606)</u>	<u>(860,288,021)</u>	<u>(4,698,469,364)</u>	<u>-</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans	20, 29	50,769,512	(544,668,515)	61,123,702	(327,585,140)
Income tax relating to components of other comprehensive income on gain (loss) on remeasurements of defined benefit plans	29	(8,512,201)	98,698,339	(12,224,741)	65,517,028
		<u>42,257,311</u>	<u>(445,970,176)</u>	<u>48,898,961</u>	<u>(262,068,112)</u>
Other comprehensive income for the year, net of income tax		(4,116,878,295)	(1,306,258,197)	(4,649,570,403)	(262,068,112)
Total comprehensive income for the year		<u>12,385,994,265</u>	<u>21,387,856,331</u>	<u>9,648,392,737</u>	<u>19,918,033,737</u>
Total comprehensive income attributable to:					
Equity holders of the Company		11,984,494,957	21,069,361,850	9,648,392,737	19,918,033,737
Non-controlling interests	12	401,499,308	318,494,481	-	-
Total comprehensive income for the year		<u>12,385,994,265</u>	<u>21,387,856,331</u>	<u>9,648,392,737</u>	<u>19,918,033,737</u>

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

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

Consolidated financial statements													
Note	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	Translation reserve	Cash flow hedges reserve	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
(in Baht)													
3	8,983,101,348	1,684,316,879	(1,442,732,789)	900,000,000	65,853,268,572	19,909,154,200	(2,148,249,520)	-	-	(2,148,249,520)	93,738,858,640	14,628,937,848	108,367,796,488
	8,983,101,348	1,684,316,879	(1,442,732,789)	900,000,000	(1,411,482,091)	19,909,154,200	(2,148,249,520)	-	-	(2,148,249,520)	93,738,858,640	13,456,103	106,969,770,500
31	-	-	-	-	(11,228,876,685)	-	-	-	-	(11,228,876,685)	(318,820,902)	(318,820,902)	(11,547,697,587)
	-	-	-	-	(11,228,876,685)	-	-	-	-	(11,228,876,685)	(318,820,902)	(318,820,902)	(11,547,697,587)
11	-	-	(19,980,479)	-	-	-	-	-	-	(19,980,479)	990,479	-	(18,990,000)
	-	-	(19,980,479)	-	-	-	-	-	-	(19,980,479)	111,213,599	91,233,120	110,223,120
	-	-	(19,980,479)	-	(11,228,876,685)	-	-	-	-	(11,248,857,164)	(207,607,303)	(207,607,303)	(11,456,464,467)
	-	-	-	-	16,102,416,901	-	-	-	-	-	16,102,416,901	400,455,659	16,502,872,560
	-	-	-	-	45,246,089	-	554,329,302	(4,698,469,364)	(19,027,971)	(4,163,168,033)	(4,117,921,944)	1,043,649	(4,116,878,295)
	-	-	-	-	16,147,662,990	-	554,329,302	(4,698,469,364)	(19,027,971)	(4,163,168,033)	11,984,494,957	401,499,308	12,385,994,265
22	-	-	-	-	(1,002,739,727)	-	-	-	-	-	(1,002,739,727)	-	(1,002,739,727)
	-	-	-	-	-	-	-	-	-	-	4,698,469,364	-	4,698,469,364
10	8,983,101,348	1,684,316,879	(1,462,713,268)	900,000,000	68,357,833,009	19,909,154,200	(1,593,920,218)	-	(19,027,971)	(1,612,948,189)	96,758,743,979	14,836,285,956	111,595,029,935

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

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

Consolidated financial statements										
		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	Translation reserve	Equity attributable to equity holders of the Company	Non-controlling interests
						(in Baht)				
		8,983,101,348	1,684,316,879	(1,061,147,719)	900,000,000	55,731,138,106	19,909,154,200	(1,315,759,337)	84,830,803,477	14,987,881,382
										99,818,684,859

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

Separate financial statements							
Note	Retained earnings				Perpetual subordinated debentures	Other component of equity	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated equity <i>(in Baht)</i>		Cash flow hedges reserve	Total equity
For the year ended 31 December 2020							
Balance at 31 December 2019							
- as previously reported	8,983,101,348	1,684,316,879	900,000,000	48,682,027,658	19,909,154,200	-	80,158,600,085
Impact of changes in accounting policies	3	-	-	(1,433,526,080)	-	-	(1,433,526,080)
Balance at 1 January 2020	8,983,101,348	1,684,316,879	900,000,000	47,248,501,578	19,909,154,200	-	78,725,074,005
Transactions with equity holders, recorded directly in equity							
<i>Distributions to equity holders</i>							
Dividends	31	-	-	(11,228,876,685)	-	-	(11,228,876,685)
Total transactions with equity holders, recorded directly in equity							
Comprehensive income for the year		-	-	(11,228,876,685)	-	-	(11,228,876,685)
Profit		-	-	14,297,963,140	-	-	14,297,963,140
Other comprehensive income		-	-	48,898,961	-	(4,698,469,364)	(4,649,570,403)
Total comprehensive income for the year		-	-	14,346,862,101	-	(4,698,469,364)	9,648,392,737
Interest payment on perpetual subordinated debentures							
22		-	-	(1,002,739,727)	-	-	(1,002,739,727)
Transfer to initial carrying amount of hedged item							
10		-	-	-	-	4,698,469,364	4,698,469,364
Balance at 31 December 2020		8,983,101,348	1,684,316,879	900,000,000	49,363,747,267	19,909,154,200	80,840,319,694

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			
				Legal reserve	Unappropriated	Perpetual subordinated debentures	
(in Baht)							
For the year ended 31 December 2019							
Balance at 1 January 2019		8,983,101,348	1,684,316,879	900,000,000	40,543,715,538	19,909,154,200	72,020,287,965
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	31	-	-	-	(10,779,721,617)	-	(10,779,721,617)
Total transactions with equity holders, recorded directly in equity		-	-	-	(10,779,721,617)	-	(10,779,721,617)
Comprehensive income for the year							
Profit		-	-	-	20,180,101,849	-	20,180,101,849
Other comprehensive income		-	-	-	(262,068,112)	-	(262,068,112)
Total comprehensive income for the year		-	-	-	19,918,033,737	-	19,918,033,737
Interest payment on perpetual subordinated debentures							
	22	-	-	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2019		8,983,101,348	1,684,316,879	900,000,000	48,682,027,658	19,909,154,200	80,158,600,085

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Cash flows from operating activities					
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation of property, plant and equipment	13, 27	10,892,144,839	10,165,615,978	6,754,924,481	6,091,390,572
Depreciation of right-of-use assets	14, 27	9,003,221,459	-	7,808,152,359	-
Amortisation of leasehold rights	27	-	307,593,309	-	111,585,757
Amortisation of intangible assets					
other than goodwill	16, 27	754,584,359	746,640,675	288,737,371	252,834,673
Interest income		(156,535,609)	(294,467,357)	(337,590,810)	(481,282,052)
Dividend income		(299,638)	(256,406)	(6,768,016,930)	(6,571,094,577)
Finance costs	28	8,525,992,023	6,720,979,703	7,822,083,157	6,326,018,579
Income tax expense	29	2,759,491,185	4,069,742,965	295,026,227	1,816,992,522
Provisions for employee benefits	20	419,535,305	1,193,356,151	214,921,920	680,916,428
Loss (reversal of allowance for loss)					
on decline in value of inventories	9	113,523,020	(21,987,739)	54,366,821	126,428
Impairment for loss on					
other long-term investment		-	411,582	-	-
Loss (reversal of impairment for loss)					
of property, plant and equipment	13	39,000	(3,665,000)	-	-
Impairment for loss on intangible assets					
other than goodwill	16	-	7,470,000	-	-
Impairment for loss on trade accounts					
receivable and other receivables					
(2019: <i>Bad and doubtful debts expense</i>)		49,178,294	32,879,745	6,150,719	9,567,750
Unrealised (gain) loss on exchange		(59,462,879)	2,270,791	(43,331,879)	-
Share of loss of associate accounted					
for using equity method		63,415,210	-	-	-
Loss on disposal and write-off of					
property, plant and equipment		139,295,729	157,066,981	126,454,907	145,773,791
Gain on disposal and write-off of					
right-of-use assets		(163,646,378)	-	(158,498,343)	-

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Continued)

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Gain on disposal of leasehold rights		-	(9,527,988)	-	(9,527,988)
(Gain) loss on write-off of intangible assets					
other than goodwill		(866,887)	88,693	29,227	39,172
Differences on a granted rent concession	5	33,423,507	-	33,423,507	-
		48,875,905,099	45,768,326,611	30,394,795,874	28,553,442,904
Changes in operating assets and liabilities					
Trade accounts receivable		19,755,740	300,160,272	(135,635,472)	(50,571,464)
Other receivables		624,256,385	(535,503,753)	119,921,007	(252,333,847)
Inventories		(324,450,123)	(1,945,814,769)	(477,561,322)	(1,225,082,503)
Derivatives assets		(513,478)	-	-	-
Other current assets		77,504,361	83,190,631	89,312,667	29,909,870
Other non-current assets		(188,107,194)	(57,048,843)	(52,844,075)	(64,369,881)
Trade accounts payable		(5,770,446,931)	(224,887,084)	(4,839,130,562)	(110,869,624)
Other payables		(408,888,103)	718,978,487	(2,312,293,727)	(1,136,518,862)
Contract liabilities		163,632,790	341,195,127	-	-
Derivatives liabilities		886,245	-	-	-
Other current liabilities		59,442,137	(13,730,790)	2,930,031	(34,591,822)
Provisions for employee benefits paid	20	(127,100,290)	(262,382,079)	(60,060,642)	(175,049,824)
Transferred in of provisions for					
employee benefits	20	898,000	752,000	599,710	10,774,470
Accrued guarantee deposits		(292,515,390)	210,010,671	(236,984,585)	224,668,910
Other non-current liabilities		(2,572,277)	304,075,414	-	65,855,986
Net cash generated from operating		42,707,686,971	44,687,321,895	22,493,048,904	25,835,264,313
Income tax paid		(3,559,342,664)	(4,210,463,000)	(1,102,964,540)	(1,987,065,581)
Net cash from operating activities		39,148,344,307	40,476,858,895	21,390,084,364	23,848,198,732
Cash flows from investing activities					
Interest received		163,033,150	290,846,720	323,054,882	500,712,650
Dividends received		299,638	256,406	6,768,016,930	6,571,094,577
Acquisition of current investments	8	(110,000,000)	(765,619,494)	-	-
Proceeds from sale of current investments	8	730,928,072	1,571,485,959	-	-

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Continued)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Cash outflow on short-term loans to subsidiaries	6	-	-	(233,000,000)	(1,366,500,000)
Proceeds from repayment of short-term loans to subsidiaries	6	-	-	849,500,000	1,100,000,000
Cash outflow on investments in subsidiaries	11	-	-	(1,482,964,969)	(1,128,780,000)
Cash outflow on investment in associate	10	(80,936,378,427)	-	(80,936,378,427)	-
Acquisition of other long-term investments		-	(1,464,900)	-	-
Acquisition of property, plant and equipment	34	(15,387,288,294)	(16,837,129,878)	(11,768,949,845)	(10,184,285,400)
Proceeds from sale of property, plant and equipment		124,774,445	208,558,347	81,144,629	169,718,937
Acquisition of right-of-use assets		(981,966,880)	-	(787,396,460)	-
Proceeds from sale of right-of-use assets		11,678,340	-	11,678,340	-
Acquisition of leasehold rights		-	(212,597,787)	-	(91,155,298)
Proceeds from sale of leasehold rights		-	14,102,021	-	14,102,021
Acquisition of intangible assets other than goodwill	34	(1,019,581,858)	(851,997,693)	(592,038,416)	(451,189,174)
Net cash used in investing activities		(97,404,501,814)	(16,583,560,299)	(87,767,333,336)	(4,866,281,687)
Cash flows from financing activities					
Interest paid		(6,940,880,759)	(6,676,471,771)	(6,620,422,207)	(6,335,710,937)
Interest paid on perpetual subordinated debentures	22	(1,002,739,727)	(1,000,000,000)	(1,002,739,727)	(1,000,000,000)
Dividends paid to equity holders of the Company	31	(11,228,970,516)	(10,780,327,816)	(11,228,970,516)	(10,780,327,816)
Dividends paid to non-controlling interests		(318,820,902)	(318,822,351)	-	-
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liabilities relating to a finance lease)	17	(8,525,569,966)	(124,355,917)	(7,316,678,298)	-
(Decreases) increases in short-term borrowings from financial institutions	17	(2,279,128,843)	(235,105,998)	(2,500,000,000)	2,500,000,000

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Continued)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Proceeds from short-term borrowings					
from subsidiary	6	-	-	300,000,000	700,000,000
Repayment of short-term borrowings					
from subsidiary	6	-	-	(1,000,000,000)	-
Proceeds from short-term borrowings					
from other parties	17	-	14,902,848	-	-
Repayment of short-term borrowings					
from other parties	17	(8,762,236)	-	-	-
Proceeds from issue of debentures	17	32,467,500,000	15,000,000,000	32,467,500,000	15,000,000,000
Repayment of debentures	17	(12,289,800,000)	(22,994,300,000)	(12,289,800,000)	(22,994,300,000)
Proceeds from long-term borrowings					
from financial institutions	17	79,244,880,351	3,068,331	79,244,383,449	-
Repayment of long-term borrowings					
from financial institutions	17	(255,785,125)	(86,993,805)	-	-
Proceeds from called for paid-up					
share capital from subsidiaries		110,223,120	47,850,030	-	-
Payment of changes in ownership interests					
in subsidiaries without a change in control	11	(12,661,600)	(788,050,764)	-	(788,050,764)
Net cash from (used in) financing activities		68,959,483,797	(27,938,607,213)	70,053,272,701	(23,698,389,517)
Net increase (decrease) in cash and					
cash equivalents, before effect of					
exchange rates		10,703,326,290	(4,045,308,617)	3,676,023,729	(4,716,472,472)
Effect of exchange rate changes on					
cash and cash equivalents		25,242,214	(117,287,519)	6,237,019	-
Net increase (decrease) in cash and					
 cash equivalents		10,728,568,504	(4,162,596,136)	3,682,260,748	(4,716,472,472)
Cash and cash equivalents at 1 January		29,860,512,542	34,023,108,678	17,895,285,548	22,611,758,020
Cash and cash equivalents at 31 December	7	40,589,081,046	29,860,512,542	21,577,546,296	17,895,285,548

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

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2021.

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 year was Charoen Pokphand Group of companies.

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

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 31 December 2020 was 12,432 stores (2019: 11,712 stores).

	2020	2019
	(number of stores)	
The Company owns and manages convenience stores	5,685	5,215
The Company franchises the license to other retailers		
- under management agreements	5,919	5,687
- under sub-license agreements	828	810
Total	12,432	11,712

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 11 to the financial statements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Lease* and disclosed impact from changes to significant account policies in note 3 to the financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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 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. Those revised TFRS that are relevant to the Group's operations are disclosed in note 37 to the financial statements.

(b) *Functional and presentation currency*

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

(c) *Use of judgements and estimates*

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

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes to the financial statements:

Note 4(k) and 24 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees; and

Note 5 Impact of COVID-19 pandemic.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes to the financial statements:

Note 4(k) Determining the incremental borrowing rate to measure lease liabilities;

Note 5 Impact of COVID-19 pandemic;

Notes 15 and 16 Impairment test of goodwill and other intangible assets: key assumptions underlying recoverable amounts;

Note 20 Measurement of defined benefit obligations: key actuarial assumptions; and

Note 32 Measurement of ECL allowance for trade accounts receivable and other current receivables: key assumptions in determining the weighted-average loss rate.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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:

	Note	Consolidated financial statements		Separate financial statements
		Retained earnings	Non-controlling interests (in million Baht)	Retained earnings
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	A.1	6	-	6
Impairment losses on financial assets	A.2	-	-	-
Derivatives	A.3	-	-	-
Adoption of TFRS 16 - net of tax	B	(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 and non-controlling interests on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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

A.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 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The following table shows classification and 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
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

*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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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 (in million Baht)	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.

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 (in million Baht)	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)

A.2 Impairment - Financial assets

TFRS 9 introduces the 'expected credit losses' ("ECL") model whereas previously the Group estimated the 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.

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

A.3 Derivatives

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

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

This hedging relationship is cash flow hedges.

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

The Group assessed that there was no material impact from the application of TFRS 9's derivatives requirements as 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. The details of accounting policy are disclosed in note 4(k) to the financial statements.

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.

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4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate.

Business combinations

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

The acquisition date is the date on which control is transferred to the acquirer.

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

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

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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Non-controlling interests

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

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investee

The Group's interests in equity-accounted investee comprise interests in associate.

Associate is the entity in which the Group has significant influence, but not control, over the financial and operating policies.

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

Transactions eliminated on consolidation

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

(b) *Investments in subsidiaries and associate*

Investments in subsidiaries and associate in separate financial statements of the Company are measured at cost less accumulated allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

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

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(c) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge that is effective are recognised in other comprehensive income.

Foreign entities

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

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

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

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

When a foreign entity is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign entity is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

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

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(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

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

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

(d.2) Classification and subsequent measurement

Financial assets - classification

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

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

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

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

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

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

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Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

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

For the purposes of this assessment,

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

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

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

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

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 4(d.6) to the financial statements for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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Financial liabilities - classification, subsequent measurement and gains and losses

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

(d.3) Derecognition

Financial assets

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

Financial liabilities

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

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

(d.4) Offsetting

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

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.6) to the financial statements).

(d.6) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

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

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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

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

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

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

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

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

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

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

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Disposal of investments

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

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

Derivatives

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

Hedge of future foreign currency transactions

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

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

(e) Cash and cash equivalents

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

(f) Trade and other accounts receivable

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

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

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

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

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

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

(h) *Investment properties*

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

Investment properties are measured at cost less accumulated impairment losses.

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

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

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets of the Group

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

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

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Depreciation

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

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

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

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

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

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

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

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

Subsequent expenditure

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

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

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Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

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

No amortisation is provided on computer software under development.

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

(k) Leases

Accounting policies applicable from 1 January 2020

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

As a lessee

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

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

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

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

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The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

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

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

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

Accounting policies applicable before 1 January 2020

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

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

As a lessor, rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

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Determining whether an arrangement contains a lease

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

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

Leasehold rights

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

Amortisation

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

(l) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents, trade accounts receivable, other current receivables and short-term loans to subsidiaries).

Measurement of ECLs

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

ECLs are measured on either of the following bases:

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

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

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

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

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due.

Write-off

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

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

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Reversal of impairment

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

(m) Impairment of non-financial assets

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

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

Calculation of recoverable amount

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

Reversal of impairment

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

(n) Contract liabilities

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

(o) Employee benefits

Post-employment benefit - defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Post-employment benefit - defined benefit plans

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

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

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

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

Other long-term employee benefits

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

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

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

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(q) Perpetual subordinated debentures

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

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(r) *Measurement of fair values*

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

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

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

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(s) *Revenues*

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

Sales of goods and rendering of services

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

Initial fees, royalties and exclusivity fees

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

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

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

Customer loyalty programmes

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

Commission revenue

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

(t) *Other income*

Other operating income and interest income are recognised in profit or loss on a accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

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(u) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate ("EIR")

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

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

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

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

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

(v) Income tax

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

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

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

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

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

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

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

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

(w) *Earnings per share*

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

(x) *Related parties*

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

(y) *Segment reporting*

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

5 Impact of COVID-19 pandemic

Due to the COVID-19 pandemic at the beginning of 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.

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For the year ended 31 December 2020

At 31 December 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 followings:

(a) Impairment of assets

The Group considered impairment of trade accounts receivable and other current receivables under provision matrix 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 other intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill and 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 profit or loss for the year ended 31 December 2020, amounting to Baht 33 million in the financial statements.

(c) Fair value measurement

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

6 Related parties

Relationships with associate and subsidiaries are described in notes 10 and 11 to the financial statements. Relationships with key management and other related parties that the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited ("CPG")	Thailand	Shareholder of the Company, Company under CPG Group and 2 common directors
C.P. Merchandising Co., Ltd.	Thailand	Shareholder of the Company, Company under CPG Group, 1 common director and one of family member of the Company's director is a major shareholder
Charoen Pokphand Foods Public Company Limited	Thailand	Company under CPG Group and 4 common directors
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
SM True Co., Ltd.	Thailand	Company under CPG Group and 2 common directors

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Name of parties	Country of incorporation/ nationality	Nature of relationships
C.P. Consumer Products Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CP Land Public Company Limited	Thailand	Company under CPG Group and 1 common director
CP-Meiji Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CPF (Thailand) Public Company Limited	Thailand	Company under CPG Group and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group and 1 common director
True Move H Universal Communication Co., Ltd.	Thailand	Company under CPG Group and 1 common director
Ascend Food Company Limited	Thailand	Company under CPG Group and three of family member of the Company's director are major Shareholders
EGG Digital Co., Ltd.	Thailand	Company under CPG Group and three of family member of the Company's director are major shareholders
True Leasing Co., Ltd	Thailand	Company under CPG Group and three of family member of the Company's director are major shareholders
True Money Co., Ltd.	Thailand	Company under CPG Group and three of family member of the Company's director are major shareholders
C.P. Cambodia Co., Ltd.	Cambodia	Company under CPG Group
C.P. Facility Management Company Limited	Thailand	Company under CPG Group
C.P. Packaging Industry Co., Ltd.	Thailand	Company under CPG Group
C.P. Tower Growth Leasehold Property Fund	Thailand	Company under CPG Group
C.P. Vietnam Corporation	Vietnam	Company under CPG Group
Charoen Pokphand Foods Canada Inc.	Canada	Company under CPG Group
CP B&F (Thailand) Company Limited	Thailand	Company under CPG Group
CPF Food and Beverage Company Limited	Thailand	Company under CPG Group
CPF Restaurant and Food Chain Company Limited	Thailand	Company under CPG Group
CPF Trading Co., Ltd.	Thailand	Company under CPG Group
International Pet Food Co., Ltd.	Thailand	Company under CPG Group
Real move Co., Ltd.*	Thailand	Company under CPG Group
True Digital Group Co., Ltd.	Thailand	Company under CPG Group
True Distribution and Sales Co., Ltd.	Thailand	Company under CPG Group
True E-Logistics Company Limited	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group

* The company was liquidated on 30 September 2019.

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Name of parties	Country of incorporation/ nationality	Nature of relationships
True United Football Club Co., Ltd.	Thailand	Company under CPG Group
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is major shareholders
Dynamic Transport Company Limited	Thailand	Chearavanont family is major shareholders
Dees Supreme Co., Ltd.	Thailand	Chearavanont family is major shareholders
Thai Kodama Company Limited	Thailand	Chearavanont family is major shareholders
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director of the Group (whether executive or otherwise)

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

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

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For the year ended 31 December 2020

Significant transactions for the years ended 31 December 2020 and 2019 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	1,603	710
Interest income	-	-	275	297
Dividend income	-	-	6,768	6,571
Other income	-	-	1,666	1,547
Distribution costs	-	-	1,742	1,699
Administrative expenses	-	-	3,037	3,022
Finance costs	-	-	26	18
Purchases of goods and services	-	-	26,098	27,550
Purchases of property, plant and equipment and intangible assets other than goodwill	-	-	3,764	3,157
<i>Other related companies</i>				
Revenue from sale of goods and rendering of services	1,804	1,491	430	416
Other income	1,703	2,077	1,668	2,047
Distribution costs	193	134	-	-
Administrative expenses	1,151	992	845	777
Finance costs	8	-	-	-
Purchases of goods and services	66,034	53,592	46,990	36,389
Purchases of property, plant and equipment and intangible assets other than goodwill	23	18	-	-
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	729	884	486	649
Severance pay for employees	11	53	3	45
Total key management benefit expenses	740	937	489	694

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Trade accounts receivable</i>				
	<i>(in million Baht)</i>			
Related companies	237	232	-	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	237	232	-	-
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-	-	-
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Other receivables</i>				
	<i>(in million Baht)</i>			
Current				
Subsidiaries	-	-	1,312	795
Other related companies	478	839	369	703
Total	478	839	1,681	1,498
Non-current				
Subsidiary	-	-	-	74
Total	-	-	-	74
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-	-	-

Short-term loans to subsidiaries

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Interest rate	Separate financial statements			
	At	At			At
	31 December	1 January	Increases	Decreases	31 December
	(% per annum)		<i>(in million Baht)</i>		
2020					
Subsidiaries	4.75	6,117	233	(850)	5,500
Total		6,117			5,500
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-			-
Net		6,117			5,500

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For the year ended 31 December 2020

	Interest rate At 31 December (% per annum)	Separate financial statements			
		At 1 January	Increases (in million Baht)	Decreases	At 31 December
2019					
Subsidiaries	4.75	5,850	1,367	(1,100)	6,117
Total		5,850			6,117
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-			-
Net		5,850			6,117

	Separate financial statements	
	2020	2019
	(in million Baht)	
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-

As at 31 December 2020 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Investment in related company	(in million Baht)			
True GS Co., Ltd.	34	34	34	34
Total	34	34	34	34

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other non-current assets	(in million Baht)			
Subsidiaries	-	-	207	341
Other related companies	10	-	-	-
Total	10	-	207	341

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable	(in million Baht)			
Subsidiaries	-	-	2,628	2,578
Other related companies	6,406	8,059	3,545	4,524
Total	6,406	8,059	6,173	7,102

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<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries	-	-	8,066	10,223
Other related companies	247	222	36	57
Total	247	222	8,102	10,280

Short-term borrowing from subsidiary

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase (in million Baht)	Decrease (in million Baht)	At 31 December
2020					
Subsidiary	4.50	700	300	(1,000)	-
Total		700			-
2019					
Subsidiary	4.50	-	700	-	700
Total		-			700

<i>Lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Other related companies	271	-	-	-
Total	271	-	-	-

Significant agreements with related parties

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

- The Company has a service agreement with Charoen Pokphand Group Company Limited, a shareholder of the Company, covering technical advisory, management, technical assistances and right to use the trademark and services of the shareholder for a period of 1 year ending in December 2021. In consideration thereof, the Company agreed to pay a monthly service fee to the shareholder totaling Baht 1.58 million.
- The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.

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For the year ended 31 December 2020

- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 5 years ending in December 2022. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (f) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 14.6 million, and placed guarantee deposits with the related company totaling Baht 44.5 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until March 2023.
- (g) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. (“the service provider”), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2021. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (h) The Company has a service agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to manage customer loyalty programme. In consideration thereof, the Company agreed to pay monthly service fees to the subsidiary totaling Baht 0.3 million. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to manage points for customer loyalty programme. In consideration thereof, the Company agreed to pay a monthly service fee to the subsidiary of Baht 0.3 million. The agreement is for a period of 3 years and are renewable for additional periods of 3 years. If either party has no intention to renew the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (j) The Company has service agreements with Siam Makro Public Company Limited, a local subsidiary, as well as, Makro (Cambodia) Company Limited, ARO Commercial Company Limited, Guangzhou Huadu Makro Food Supermarket Company Limited and Makro (Guangzhou) Food Company Limited, foreign subsidiaries. Under the terms of these agreements, the Company agreed to grant the right to use certain trademarks under conditions stipulated in the agreements. In consideration thereof, the subsidiaries are committed to pay a fee, calculated as a percentage of their sales, to the Company as stipulated in the agreements. These agreements are effective for periods of 1 year to 4 years, and will expire on various dates until December 2024.

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- (k) A local subsidiary (Siam Makro Public Company Limited) has lease and service agreements with CP Retailink Co., Ltd., a local subsidiary (“the party”). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 1 year and 3 years, and will expire on various dates until December 2022.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cash on hand	10,782	10,884	9,093	8,959
Cash at financial institutions				
- current accounts	6,275	5,403	4,971	4,295
Cash at financial institutions				
- savings accounts	23,093	11,407	7,514	4,641
Highly liquid short-term investments	439	2,167	-	-
Total	40,589	29,861	21,578	17,895

8 Current investments

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cash at financial institutions				
- time deposits	37	249	-	-
Promissory notes	-	410	-	-
Total	37	659	-	-

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	659	1,467	-	-
Increases	110	766	-	-
Decreases	(731)	(1,571)	-	-
Exchange differences on translating financial statements	(1)	(3)	-	-
At 31 December	37	659	-	-

CP ALL Public Company Limited and its Subsidiaries

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Finished goods	31,242	30,635	15,327	14,850
Work in progress	93	108	-	-
Raw materials	614	605	-	-
Goods in transit	335	612	-	-
Total	32,284	31,960	15,327	14,850
Less allowance for losses on decline in value of inventories	(535)	(422)	(220)	(166)
Net	31,749	31,538	15,107	14,684

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cost of inventories	407,282	422,869	216,923	240,212
Allowance (reversal of allowance) for losses on decline in value of inventories	113	(22)	54	-
Total	407,395	422,847	216,977	240,212

The cost of inventories which is recognised as an expense and presented as part of the account “Distribution costs” in the statements of income for the year ended 31 December 2020 amounted to Baht 2,662 million (2019: Baht 2,720 million) in the consolidated financial statements, and Baht 2,644 million (2019: Baht 2,709 million) in the separate financial statements.

10 Investment in associate

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	80,936	-	80,936	-
Transferred in from cash flow hedges reserve	4,699	-	4,699	-
Less loss relating to the investment accounted for using the equity method	(83)	-	-	-
At 31 December	85,552	-	85,635	-

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Details of the increases in investment in associate during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
C.P. Retail Holding Company Limited	80,936	-	80,936	-
Total	80,936	-	80,936	-

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 is a special purpose vehicle and 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”). Tesco Asia Group is an indirect associate of the Group. 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.

CPRH was 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; from Baht 5 million to Baht 2,505 million; and to call for 25% of additional paid-up share capital of Baht 625 million; from Baht 5 million to Baht 630 million. The registrations of the increased authorised share capital and the additional paid-up share capital were completed in March 2020.

During the third quarter of 2020, CPRH called for 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.

During the fourth quarter of 2020, CPRH called for the remaining 50% of additional paid-up share capital of Baht 1,250 million; from Baht 1,255 million to Baht 2,505 million. The additional paid-up share capital was completed in October 2020.

Later, on 17 December 2020, CPRH’s Board of Directors approved to increase the authorised share capital of Baht 196,975 million (or equivalent to United States Dollars 6,537 million) and to call for fully paid-up share capital in United States Dollar; from Baht 2,505 million to Baht 199,480 million. The registrations of the increased authorised share capital and the additional paid-up share capital were completed on the same date. The Company’s investment in CPRH was Baht 79,792 million equally to 40% of paid-up share capital. The Company also recognised related transaction costs and fair value of forward contracts at the date of acquisition of totaling Baht 1,144 million and transferred in from cash flow hedges reserve of Baht 4,699 million as a part of investment in associate. The Company’s investment in CPRH was totally of Baht 85,635 million.

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The Tesco Asia Group indirect investment transaction was completed on 18 December 2020. The purchase price allocation is a judgemental exercise to determine the fair value of assets acquired and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill. This resulted in recognition of goodwill of Baht 90,789 million which was recorded as a part of investment in associate accounted for using the equity method in the consolidated statement of financial position as at 31 December 2020. At the reporting date, the assessment of fair value was not yet completed. The fair value is estimated for accounting records.

Later, on 5 January 2021, Tesco Stores (Thailand) Limited's extraordinary shareholders meeting approved to change its juristic person name to "Lotus's Stores (Thailand) Co., Ltd.". The registration of changed juristic person name was completed on 7 January 2021.

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For the year ended 31 December 2020

Investment in associate as at 31 December 2020 and 2019, and dividend income for the years then ended were as follows:

		Consolidated financial statements						Dividend income for the year	
Type of business	Ownership interest	Paid-up capital		At cost		Equity		2020	2019
		2020	2019	2020	2019	2020	2019		
		(in million Baht)							
<i>Associate</i>									
C.P. Retail Holding Company Limited	40	-	199,480	-	85,635	-	85,552	-	-
Total				-	85,635	-	85,552	-	-

Separate financial statements												
	Ownership interest		Paid-up capital		At cost		Impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in million Baht)											
<i>Associate</i>												
C.P. Retail Holding	40	-	199,480	-	85,635	-	-	-	85,635	-	-	-
Company Limited												
Total					85,635	-	-	-	85,635	-	-	-

The associate was incorporated in Thailand.

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

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Associate

The following table summarises the financial information of the associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	Associate 2020 (in million Baht)
Revenue	9,789
Loss from continuing operations	(158)
Other comprehensive income	(48)
Total comprehensive income (100%)	(206)
Total comprehensive income of the Group's interest (40% hold)	(83)
Group's share of total comprehensive income	(83)
Current assets	40,432
Non-current assets	131,625
Current liabilities	(162,311)
Non-current liabilities	(37,239)
Net assets (100%)	(27,493)
Group's interests in net assets of the associate at the date of acquisition (40% hold)	(10,997)
Total comprehensive income attributable to the Group	(83)
Group's interests in net assets of the associate at end of year	(11,080)
Goodwill	90,789
Related transaction costs	358
Fair value of forward contracts at the date of acquisition	786
Transferred in from cash flow hedges reserve	4,699
Carrying amount of investment in associate at 31 December	85,552

11 Investments in subsidiaries

Movements during the years ended 31 December 2020 and 2019 were as follows:

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

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Details of the increases in investments in subsidiaries during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated		Separate	
	financial statements		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.

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 share, totaling Baht 234 million in cash, increasing its ownership interest from 91.85% to 100%. The Company subsequently disposed 2 shares to two minor shareholders equally to 0.01% of total issued and paid-up shares of the subsidiary, reducing its ownership interest from 100% to 99.99%. The Group recognised a decrease in non-controlling interests of Baht 406 million and deficit from changes in ownership interest in subsidiary of Baht 382 million.

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Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of operation	Separate financial statements					Dividend income for the year		
			Ownership interests		Paid-up capital		At cost		2020	2019
			2020	2019	2020	2019	2020	2019	2020	2019
<i>(in million Baht)</i>										
<i>(%)</i>										
Local direct subsidiaries										
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	120	100
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	Bill payment services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	100	100	91	91	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
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	246	200

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Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital		At cost		Dividend income	
			2020	2019	2020	2019	2020	2019	2020	2019
			(%)				(in million Baht)			
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	1,299	1,294
ALL Now Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	100	100
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	150	230
ALL Wellness Co., Ltd.	Digital innovation healthcare services and consultation by medical specialists	Thailand	99.99	99.99	176	1	176	1	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	15	5
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	30	40
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	99.99	99.99	1,600	1,600	1,939	1,939	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	1,248	1,243
Siam Makro Public Company Limited	Cash and carry	Thailand	38.07	38.07	2,400	2,400	73,203	73,203	1,755	1,754
Total							190,388	190,013	6,768	6,571

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Name of parties	Type of business	Country of operation	Ownership interests		Separate financial statements (Continued)				Dividend income for the year	
			2020	2019	Paid-up capital		At cost		2020	2019
					2020	2019	2020	2019		
			(%)						(in million Baht)	
United States Dollars)										
<i>Foreign direct subsidiaries</i>										
Lotus Distribution	Holding company	British Virgin Islands	100.00	100.00	310	280	10,497	9,514	-	-
Investment Limited										
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	6,768	6,571

* 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 31 December 2020 and 2019 were as follows:

Name of parties	Type of business	Country of operation	Ownership interests 2020 2019 (%)	
<i>Local indirect subsidiaries</i>				
ALL NOW LOGISTICS CO., LTD.	Parcel and express delivery services	Thailand	99.99	99.99
CP Foodlab Co., Ltd.	Research and development service, and microbiologic and scientific laboratory services	Thailand	99.99	99.99
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Institute of Management Demonstration School	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Makro ROH Co., Ltd.	Providing technical and supporting services to the Group	Thailand	93.07	93.07
ProMart Co., Ltd.	Trading of non-food products	Thailand	93.07	93.07
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and providing freight, delivery rental and storage services	Thailand	93.07	93.07
ALL GUARDIAN CO., LTD.	Health and beauty products retailer	Thailand	64.99	-
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99

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Name of parties	Type of business	Country of operation	Ownership interests 2020 2019 (%)	
<i>Foreign indirect subsidiaries</i>				
CP ALL (CAMBODIA) CO., LTD.	Convenience stores	Cambodia	100.00	-
Nanjing Tech University Pujiang Institute	Educational institution	The People’s Republic of China	100.00	100.00
Nanjing Tech University Pujiang Institute Educational Development Fund	Educational development fund	The People’s Republic of China	100.00	100.00
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding of educational institution	The People’s Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People’s Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People’s Republic of China	100.00	100.00
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People’s Republic of China	100.00	100.00
ALL CONVENIENCE LOGISTIC CO., LTD.	Logistics and distribution of merchandises services	Cambodia	99.99	-
CP ALL LAOS COMPANY LIMITED	Convenience stores	Laos	99.99	-
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	93.08	93.08
ARO Commercial Company Limited	Wholesale and retail operator and related business	Republic of the Union of Myanmar	93.07	93.07
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	93.07	93.07
Indoguna (Cambodia) Company Limited*	Importing and trading of food related products	Cambodia	93.07	65.15

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Name of parties	Type of business	Country of operation	Ownership interests	
			2020	2019
(%)				
Foreign indirect subsidiaries (Continued)				
CP Wholesale India Private Limited	Wholesale and related business	India	93.06	93.06
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	93.06	93.06
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	93.06	93.06
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	74.46	74.46
Indoguna Dubai L.L.C**	Importing and trading of food related products	United Arab Emirates	74.46	74.46
Indoguna Lordly Company Limited	Manufacturing, trading, importing and exporting of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	74.46	74.46
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	74.46	74.46
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C**	Restaurant and minimart	United Arab Emirates	74.46	74.46
Makro (Cambodia) Company Limited	Wholesale and retail operator and related business	Cambodia	65.15	65.15

CP ALL Public Company Limited and its Subsidiaries

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For the year ended 31 December 2020

* On 8 May 2020, at the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) approved 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, to additional invest 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.

** The Group interest is 74.46% after taking account of nominee holdings. (2019: 74.46%)

12 Non-controlling interests

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

	31 December 2020		
	Siam Makro Public Company Limited	ALL GUARDIAN CO., LTD. (in million Baht)	Total
Non-controlling interests percentages	6.92	35.01	
Current assets	28,251	412	
Non-current assets	45,783	-	
Current liabilities	(40,555)	(112)	
Non-current liabilities	(10,769)	-	
Net assets	22,710	300	
Carrying amount of non-controlling interests	11,978*	105	12,083
Intra-group eliminations			-
Fair value adjustment			2,753
Total			14,836
Revenue	218,760	86	
Profit	6,524	1	
Other comprehensive income	30	-	
Total comprehensive income	6,554	1	
Profit allocated to non-controlling interests	415*	-	415
Intra-group eliminations			-
Fair value adjustment			(15)
Total			400
Other comprehensive income allocated to non-controlling interests	1*	-	1
Intra-group eliminations			-
Fair value adjustment			-
Total			1

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	31 December 2020		
	Siam Makro Public Company Limited	ALL GUARDIAN CO., LTD. <i>(in million Baht)</i>	Total
Cash flows from operating activities	13,353	(48)	
Cash flows from investing activities	(2,288)	-	
Cash flows from financing activities	(5,094)	300	
Dividends paid to non-controlling interests	(319)	-	
Exchange differences on translating financial statements	31	-	
Net increase in cash and cash equivalents	5,683	252	

	31 December 2019
	Siam Makro Public Company Limited <i>(in million Baht)</i>
Non-controlling interests percentage	6.92
Current assets	23,333
Non-current assets	39,308
Current liabilities	(32,749)
Non-current liabilities	(9,158)
Net assets	20,734
Carrying amount of non-controlling interests	11,883*
Intra-group eliminations	-
Fair value adjustment	2,746
Total	14,629
Revenue	210,627
Profit	6,185
Other comprehensive income	(147)
Total comprehensive income	6,038
Profit allocated to non-controlling interests	372*
Intra-group eliminations	1
Fair value adjustment	(22)
Total	351
Other comprehensive income allocated to non-controlling interests	(33)*
Intra-group eliminations	-
Fair value adjustment	-
Total	(33)

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31 December 2019
Siam Makro
Public
Company
Limited
(in million Baht)

Cash flows from operating activities	10,270
Cash flows from investing activities	(3,130)
Cash flows from financing activities	(7,083)
Dividends paid to non-controlling interests	(319)
Exchange differences on translating financial statements	(33)
Net decrease in cash and cash equivalents	(295)

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

CP ALL Public Company Limited and its Subsidiaries

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13 Property, plant and equipment

Consolidated financial statements								
		Buildings, building improvements and right-of-use asset improvements (2019: <i>leasehold improvements</i>)	Machinery and equipment	Furniture, fixtures and office equipment (<i>in million Baht</i>)	Assets under construction and installation	Other	Total	
<i>Cost</i>	<i>Note</i>	Land						
At 1 January 2019		42,857	51,551	40,960	18,521	7,940	7,993	169,822
Additions		306	345	3,288	2,785	8,969	285	15,978
Transfers		75	5,460	1,517	253	(8,446)	1,141	-
Disposals		(67)	(859)	(1,151)	(1,778)	(3)	(192)	(4,050)
Exchange differences on translating financial statements		-	(290)	(45)	(29)	(342)	(8)	(714)
At 31 December 2019		43,171	56,207	44,569	19,752	8,118	9,219	181,036
- as previously reported								
Transferred to right-of-use assets	3	-	-	(982)	(217)	-	(2)	(1,201)
At 1 January 2020		43,171	56,207	43,587	19,535	8,118	9,217	179,835
Additions		48	477	4,667	2,160	7,645	276	15,273
Transfers		-	4,955	1,498	218	(7,621)	950	-
Disposals		-	(451)	(1,124)	(1,507)	(16)	(123)	(3,221)
Exchange differences on translating financial statements		-	185	10	16	339	3	553
At 31 December 2020		43,219	61,373	48,638	20,422	8,465	10,323	192,440

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Consolidated financial statements (Continued)								
	Note	Land	Buildings, building improvements and right-of-use asset improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	Total
Accumulated depreciation and accumulated impairment losses								
At 1 January 2019		-	(17,748)	(24,907)	(11,199)	-	(4,681)	(58,535)
Depreciation charge for the year		-	(2,498)	(4,367)	(2,495)	-	(806)	(10,166)
Impairment losses, net		-	(1)	(1)	6	-	-	4
Disposals		-	681	1,111	1,713	-	180	3,685
Exchange differences on translating financial statements		-	30	15	9	-	4	58
At 31 December 2019		-	(19,536)	(28,149)	(11,966)	-	(5,303)	(64,954)
- as previously reported	3	-	-	499	180	-	1	680
Transferred to right-of-use assets		-	(19,536)	(27,650)	(11,786)	-	(5,302)	(64,274)
At 1 January 2020		-	(2,676)	(4,696)	(2,589)	-	(931)	(10,892)
Depreciation charge for the year		-	(3)	2	1	-	-	-
Impairment losses, net		-	304	1,079	1,466	-	107	2,956
Disposals		-	-	-	-	-	-	-
Exchange differences on translating financial statements		-	(23)	(3)	(5)	-	-	(31)
At 31 December 2020		-	(21,934)	(31,268)	(12,913)	-	(6,126)	(72,241)

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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Consolidated financial statements (Continued)

	Note	Land	Buildings, building improvements and right-of-use asset improvements (2019: <i>leasehold improvements</i>)	Machinery and equipment	Furniture, fixtures and office equipment (<i>in million Baht</i>)	Assets under construction and installation	Other	Total
<i>Net book value</i>								
At 1 January 2019		42,857	33,803	16,053	7,322	7,940	3,312	111,287
At 31 December 2019		43,171	36,671	16,420	7,786	8,118	3,916	116,082
- as previously reported		43,171	36,671	15,937	7,749	8,118	3,915	115,561
At 1 January 2020		43,219	39,439	17,370	7,509	8,465	4,197	120,199
At 31 December 2020								

Security

As at 31 December 2020, the Group's vehicles with total net book value of Baht 3 million (2019: Baht 5 million) were pledged under long-term borrowings from financial institution.

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Notes to the financial statements
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Separate financial statements (Continued)

	Land	Buildings, building improvements and right-of-use asset improvements (2019: <i>leasehold improvements</i>)	Machinery and equipment	Furniture, fixtures and office equipment (<i>in million Baht</i>)	Assets under construction and installation	Other	Total
<i>Net book value</i>							
At 1 January 2019	3,921	13,225	4,607	5,250	1,489	2,492	30,984
At 31 December 2019 and 1 January 2020	4,091	15,419	4,883	5,964	1,941	2,798	35,096
At 31 December 2020	4,138	17,372	6,263	6,286	2,153	2,857	39,069

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2020 amounted to Baht 28,884 million (2019: Baht 26,734 million) in the consolidated financial statements and Baht 16,493 million (2019: Baht 15,883 million) in the separate financial statements respectively.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

14 Right-of-use assets

		Consolidated financial statements				
			Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
		<i>Note</i>	<i>(in million Baht)</i>			
			Buildings			
<i>Cost</i>						
At 1 January 2020	3		31,122	46	189	50,463
Additions			8,402	23	261	13,893
Disposals			(1,971)	(11)	(28)	(2,451)
Exchange differences on translating financial statements			1	-	-	69
At 31 December 2020			37,554	58	422	61,974
<i>Accumulated depreciation</i>						
At 1 January 2020	3		-	-	-	-
Depreciation charge for the year*			(7,115)	(21)	(111)	(9,340)
Disposals			197	10	15	267
Exchange differences on translating financial statements			1	-	-	(2)
At 31 December 2020			(6,917)	(11)	(96)	(9,075)
<i>Net book value</i>						
At 1 January 2020	3		31,122	46	189	50,463
At 31 December 2020			30,637	47	326	52,899

*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 statements of income for the year ended 31 December 2020, amounting to Baht 337 million in the financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

		Separate financial statements		
	Note	Land	Buildings (in million Baht)	Total
Cost				
At 1 January 2020	3	10,481	28,188	38,669
Additions		4,400	8,224	12,624
Disposals		(428)	(1,932)	(2,360)
At 31 December 2020		14,453	34,480	48,933
Accumulated depreciation				
At 1 January 2020	3	-	-	-
Depreciation charge for the year*		(1,528)	(6,617)	(8,145)
Disposals		34	189	223
At 31 December 2020		(1,494)	(6,428)	(7,922)
Net book value				
At 1 January 2020	3	10,481	28,188	38,669
At 31 December 2020		12,959	28,052	41,011

*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 separate statements of income for the year ended 31 December 2020, amounting to Baht 337 million in the financial statements.

15 Goodwill

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
<i>At 31 December</i>				
Cost	128,096	128,096	-	-
Less impairment loss	-	-	-	-
Net book value	128,096	128,096	-	-

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

Cash-generating units ("CGUs") containing goodwill

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Siam Makro Public Company Limited	125,936	125,936	-	-
Indoguna Group of companies	2,023	2,023	-	-
Other	137	137	-	-
Total	128,096	128,096	-	-

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

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

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

Discount rate

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

Terminal value growth rate

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

Budgeted EBITDA growth rate

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

Management has identified that a reasonably possible change in three key assumptions, discount rate, terminal value growth rate and budgeted EBITDA growth rate, which in 2020 if discount rate increases by 0.4% (2019: 1.5%) or terminal value growth rate decreases by 0.7% (2019: 3.3%) or budgeted EBITDA growth rate decreases by 1.2% (2019: 5.3%) could cause the recoverable amount to be equal to the carrying amount.

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

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16 Intangible assets other than goodwill

	Consolidated financial statements			
	Computer software in use and under development	Intellectual property <i>(in million Baht)</i>	Other	Total
Cost				
At 1 January 2019	6,242	46,521	2,182	54,945
Additions	799	-	-	799
Transfers	(3)	-	3	-
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	(15)	-	(84)	(99)
At 31 December 2019 and 1 January 2020	7,022	46,521	2,101	55,644
Additions	974	-	35	1,009
Transfers	(2)	-	2	-
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	7	-	61	68
At 31 December 2020	8,000	46,521	2,199	56,720
Accumulated amortisation and accumulated impairment losses				
At 1 January 2019	(2,603)	-	(907)	(3,510)
Amortisation charge for the year	(579)	-	(168)	(747)
Impairment losses	(7)	-	-	(7)
Disposals	1	-	-	1
Exchange differences on translating financial statements	3	-	-	3
At 31 December 2019 and 1 January 2020	(3,185)	-	(1,075)	(4,260)
Amortisation charge for the year	(666)	-	(88)	(754)
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	1	-	-	1
At 31 December 2020	(3,851)	-	(1,163)	(5,014)
Net book value				
At 1 January 2019	3,639	46,521	1,275	51,435
At 31 December 2019 and 1 January 2020	3,837	46,521	1,026	51,384
At 31 December 2020	4,149	46,521	1,036	51,706

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For the year ended 31 December 2020

	Separate Financial statements Computer software in use and under development (in million Baht)
Cost	
At 1 January 2019	2,802
Additions	548
At 31 December 2019 and 1 January 2020	3,350
Additions	574
At 31 December 2020	3,924
Accumulated amortisation	
At 1 January 2019	(1,408)
Amortisation charge for the year	(253)
At 31 December 2019 and 1 January 2020	(1,661)
Amortisation charge for the year	(289)
At 31 December 2020	(1,950)
Net book value	
At 1 January 2019	1,394
At 31 December 2019 and 1 January 2020	1,689
At 31 December 2020	1,974

The gross amount of the Group's and the Company's fully amortised intangible assets other than goodwill that were still in use as at 31 December 2020 amounted to Baht 2,204 million (2019: Baht 2,111 million) in the consolidated financial statements and Baht 1,505 million (2019: Baht 1,481 million) in the separate financial statements respectively.

17 Interest-bearing liabilities

	Consolidated financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in million Baht)					
Short-term borrowings from financial institutions						
Promissory notes	-	-	-	-	171	171
Bills of exchange	-	480	480	-	-	-
Liabilities under trust receipts	-	526	526	-	607	607
Short-term borrowings	-	45	45	-	2,549	2,549
Short-term borrowings from other parties	-	6	6	-	14	14
Debentures	57,966	95,030	152,996	68,785	64,099	132,884
Long-term borrowings from financial institutions	1,712	86,620	88,332	1,838	7,000	8,838
Lease liabilities (2019: finance lease liabilities)	-	50,583	50,583	-	641	641
Total interest-bearing liabilities	59,678	233,290	292,968	70,623	75,081	145,704

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	Note	Separate financial statements				
		2020		Total (in million Baht)	2019	
		Secured	Unsecured		Secured	Unsecured
Short-term borrowings from financial institutions		-	-	-	-	2,500
Short-term borrowing from subsidiary	6	-	-	-	-	700
Debentures		57,966	95,030	152,996	68,785	64,099
Long-term borrowings from financial institutions		-	79,620	79,620	-	-
Lease liabilities (2019: finance lease liabilities)		-	42,018	42,018	-	-
Total interest-bearing liabilities		57,966	216,668	274,634	68,785	67,299
						136,084

Unutilised credit facilities

As at 31 December 2020 the Group had unutilised credit facilities totaling Baht 882 million and Singapore Dollar 0.5 million (2019: Baht 882 million and Singapore Dollar 0.5 million).

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	3,327	3,583	2,500	-
(Decreases) increases	(2,279)	(235)	(2,500)	2,500
Exchange differences on translating financial statements	2	(21)	-	-
At 31 December	1,050	3,327	-	2,500

Short-term borrowings from other parties

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	14	-	-	-
(Decreases) increases	(9)	15	-	-
Exchange differences on translating financial statements	1	(1)	-	-
At 31 December	6	14	-	-

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Debentures

Movements during the years ended 31 December 2020 and 2019 were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	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		(12,290)	(22,994)	(12,290)	(22,994)
Interest paid calculated using effective interest rate method		25	-	25	-
At 31 December		152,996	132,884	152,996	132,884

Debentures 1/2013

On 31 October 2013 the Company issued Baht 50,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013. Outstanding balance as at 31 December 2020 was as follows:

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

Debentures 1/2014

On 27 March 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014. Outstanding balances as at 31 December 2020 were as follows:

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

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Debentures 2/2014

On 22 August 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 22 August 2014. Outstanding balances as at 31 December 2020 were as follows:

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

Debentures 3/2014

On 26 December 2014 the Company issued Baht 10,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 December 2014. Outstanding balance as at 31 December 2020 was as follows:

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

Debentures 2/2015

On 30 June 2015 the Company issued Baht 13,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 30 June 2015. Outstanding balances as at 31 December 2020 were as follows:

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

Debentures 1/2016

On 18 March 2016 the Company issued Baht 7,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 March 2016. Outstanding balances as at 31 December 2020 were as follows:

- Debentures term of 5 years of Baht 1,382 million, fully repayable on 18 March 2021 and bearing interest at the fixed rate of 2.95% per annum

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For the year ended 31 December 2020

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

Debentures 2/2016

On 26 August 2016 the Company issued Baht 12,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 August 2016. Outstanding balances as at 31 December 2020 were as follows:

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

Debentures 1/2017

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

Debentures 2/2017

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

Debentures 3/2017

On 15 November 2017 and 30 November 2017 the Company issued Baht 18,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to early redemption of debentures. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 15 November 2017 and 30 November 2017. Outstanding balances as at 31 December 2020 were as follows:

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

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For the year ended 31 December 2020

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

Debentures 1/2019

On 18 January 2019 the Company issued Baht 15,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 January 2019. Outstanding balances as at 31 December 2020 were as follows:

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

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 13 May 2020. Outstanding balances as at 31 December 2020 were as follows:

- 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

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 29 September 2020. Outstanding balances as at 31 December 2020 were as follows:

- 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

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- 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

All series of debentures have a credit rating of “A-(tha)” latest updated by Fitch Ratings (Thailand) Limited on 3 February 2021.

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 31 December 2020, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 1,488 million shares. The fair value of those shares totaled Baht 58,768 million.

Long-term borrowings from financial institutions

Movements during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	8,838	9,104	-	-
Increases	79,244	3	79,244	-
Decreases	(256)	(87)	-	-
Interest paid calculated using effective interest rate method	101	-	101	-
Unrealised loss on exchange rates from translation of outstanding foreign borrowings balance to Thai Baht	275	-	275	-
Exchange differences on translating financial statements	130	(182)	-	-
At 31 December	88,332	8,838	79,620	-

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For the year ended 31 December 2020

As at 31 December 2020 the Group had unsecured long-term borrowings agreements with a local branch of foreign financial institution and local and foreign financial institutions, and had a secured long-term borrowings agreement with a foreign financial institution. Details are as follows:

Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	Baht 3,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2021*
The second agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in September 2021
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022
The fifth agreement	China Renminbi 450 million (or equivalent to approximately Baht 2,078 million)	Floating interest rate as stipulated in the agreement	Semi-annually installment due to May 2026
The sixth agreement	United States Dollars 3,200 million (or equivalent to approximately Baht 96,662 million)	Floating interest rate as stipulated in the agreement	Entire principal of borrowing in June 2022

* The long-term borrowing from financial institution totaling Baht 3,000 million were fully repaid in January 2021.

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

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

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Lease liabilities (2019: finance lease liabilities)

Movements during the years ended 31 December 2020 and 2019 were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Brought forward balance					
- as previously reported		641	698	-	-
Impact of changes in accounting policies	3	46,927	-	39,199	-
At 1 January		47,568	698	39,199	-
Purchase of assets under lease liabilities (2019: <i>finance lease</i>)		12,914	14	11,837	-
Payment of lease liabilities (2019: <i>payment for reduction of the outstanding liabilities relating to finance leases</i>)		(8,526)	(124)	(7,317)	-
Write-off		(2,348)	-	(2,284)	-
Finance costs under lease (2019: <i>finance lease</i>)	28	1,272	53	886	-
Net impact from a granted rent concession		(303)*	-	(303)*	-
Exchange differences on translating financial statements		6	-	-	-
As at 31 December		50,583	641	42,018	-

* The Company was granted a rent concession as a result of the COVID-19 situation. The Company has deducted lease liabilities and reversed financial costs under lease in proportion to the reduced rental in the consolidated and separate financial statements for the year ended 31 December 2020, amounting to Baht 349 million and Baht 46 million, respectively.

18 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Related parties	6	6,406	8,059	6,173	7,102
Other parties		66,372	70,491	30,320	34,230
Total		72,778	78,550	36,493	41,332

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19 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Related parties	6	247	222	8,102	10,280
Other parties					
Other payables		3,611	4,203	1,410	1,924
Accrued personnel expenses		1,905	2,829	444	1,322
Accrued royalties and other accrued expenses		2,880	2,128	1,220	918
Deferred royalties and other deferred income		2,236	2,040	1,326	1,198
Accrued interest expenses		1,648	1,461	1,589	1,400
Accrued utilities expenses		861	838	631	617
Accrued advertising and sale promotion expenses		289	354	149	227
Accrued rental fees		176	151	169	141
Other		947	944	481	470
		14,553	14,948	7,419	8,217
Total		14,800	15,170	15,521	18,497

20 Provisions for employee benefits

Defined benefit plans

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

Pension fund benefit

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

Severance benefit

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

Additional benefit related to provident fund

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

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

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	4,843	3,368	2,772	1,928
Included in profit or loss:				
Current service costs	350	287	176	138
Past service costs	-	809	-	489
Interest on obligation	69	97	39	54
	<u>419</u>	<u>1,193</u>	<u>215</u>	<u>681</u>
Included in other comprehensive income:				
Actuarial (gain) loss				
- Financial assumptions	(342)	529	(266)	325
- Experience adjustment	291	16	205	3
	<u>(51)</u>	<u>545</u>	<u>(61)</u>	<u>328</u>
Other				
Benefits paid by the plan	(127)	(262)	(60)	(175)
Transfer in provisions for employee benefits from subsidiaries and related companies	1	1	-	10
Exchange differences on translating financial statements	-	(2)	-	-
At 31 December	<u>5,085</u>	<u>4,843</u>	<u>2,866</u>	<u>2,772</u>

Principal actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.30 - 1.70	1.60 - 1.70	1.60	1.60
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	4.0 - 5.0	4.0 - 7.0	4.0 - 4.5	5.0 - 5.5
Turnover rate	1.0 - 50.0	1.0 - 50.0	1.0 - 20.0	1.0 - 20.0

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

At 31 December 2020, the weighted-average duration of the defined benefit obligations were 8 to 15 years (2019: 9 to 16 years).

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For the year ended 31 December 2020

Sensitivity analysis

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

	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>At 31 December</i>				
Discount rate	(406)	(439)	466	473
Future salary growth	429	449	(380)	(398)
Employee turnover	(415)	(432)	442	467

	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>At 31 December</i>				
Discount rate	(240)	(267)	279	288
Future salary growth	265	282	(234)	(247)
Employee turnover	(257)	(275)	295	318

21 Share premium and reserves

Share premium

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

Deficit from changes in ownership interest in subsidiary

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

Appropriations of profit and/or retained earnings

Legal reserve

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

Legal reserve as at 31 December 2020 and 2019 was higher than 10% of the registered authorised capital.

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Other components of equity

Translation reserve

Translation reserve recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign entities to Thai Baht.

Cash flow hedges reserve

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

22 Perpetual subordinated debentures

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

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

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

These Debentures of totalling Baht 19,909 million, net of issuance cost of Baht 91 million, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2020 and 2019 (consisted of debentures no. 1/2016 of Baht 9,953 million, net of issuance cost of Baht 47 million and debentures no. 1/2017 of Baht 9,956 million, net of issuance cost of Baht 44 million).

As at 31 December 2020, the Company has not deferred any interest payments to the perpetual subordinated debentures holders. Cumulative interest for the year ended 31 December 2020 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 1,003 million (2019: Baht 1,000 million). During the year of 2020, the Company paid interest expenses on perpetual subordinated debentures to the holders of Baht 1,003 million (2019: Baht 1,000 million).

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As at 31 December 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 31 December 2020, the Company classified the perpetual subordinated debentures as financial liability, total liabilities and equity of the Company will increase and decrease by Baht 19,909 million.

23 Segment information and disaggregation of revenue

Revenue

The Company's main operation is derived from sale of goods from convenience stores. 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 consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

For the year ended 31 December

Types of revenues

	Convenience stores	Cash and carry	Other	Eliminate	Total
	2020	2019	2020	2019	2020
Revenue from sale of goods	299,437	332,734	214,140	206,180	33,328
Revenue from rendering of services	1,268	1,327	3,757	3,592	10,900
Revenue from sale of goods and rendering of services to external customers	300,705	334,061	217,897	209,772	44,228
Total revenues	328,530	361,034	218,762	210,629	45,403
Timing of revenue recognition					
At a point of time	300,705	334,061	214,140	206,180	38,279
Overtime	-	-	3,757	3,592	5,949
Total	300,705	334,061	217,897	209,772	44,228

Segment profit before income tax expense

	14,593	21,997	8,051	7,503	4,151	(7,925)	(6,887)	19,262	26,764
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For the year ended 31 December 2020

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 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>(in million Baht)</i>									
Revenue from sale of goods and rendering of services	300,705	334,061	217,897	209,772	45,166	44,228	(37,884)	(37,160)	525,884	550,901
Interest income	338	481	39	21	82	109	(302)	(317)	157	294
Dividend income	6,768	6,571	-	-	120	100	(6,888)	(6,671)	-	-
Net foreign exchange gain	147	1	9	47	77	124	(7)	(68)	226	104
Other income	20,572	19,920	817	789	905	842	(1,971)	(1,740)	20,323	19,811
Total revenues	328,530	361,034	218,762	210,629	46,350	45,403	(47,052)	(45,956)	546,590	571,110
Cost of sale of goods and rendering of services	216,981	240,235	192,016	185,012	34,105	33,581	(32,222)	(32,765)	410,880	426,063
Distribution costs	77,152	79,182	13,034	13,062	3,749	3,519	(2,799)	(2,373)	91,136	93,390
Administrative expenses	11,982	13,294	5,037	4,731	3,578	3,804	(3,874)	(3,657)	16,723	18,172
Net foreign exchange loss	-	-	5	11	2	58	(7)	(69)	-	-
Finance costs	7,822	6,326	619	310	373	290	(288)	(205)	8,526	6,721
Share of loss of investment in associate	-	-	-	-	-	-	63	-	63	-
Total expenses	313,937	339,037	210,711	203,126	41,807	41,252	(39,127)	(39,069)	527,328	544,346
Segment profit before income tax expense	14,593	21,997	8,051	7,503	4,543	4,151	(7,925)	(6,887)	19,262	26,764

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Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2020 and 2019 were as follows:

	Convenience stores 2020	Convenience stores 2019	Cash and carry 2020	Cash and carry 2019	Other 2020	Other 2019	Eliminate 2020	Eliminate 2019	Total 2020	Total 2019
					<i>(in million Baht)</i>					
Investment properties	-	-	333	333	-	-	-	-	333	333
Property, plant and equipment	39,069	35,096	58,117	59,267	24,086	22,228	(1,073)	(509)	120,199	116,082
Right-of-use assets	41,011	-	10,627	-	1,768	-	(507)	-	52,899	-
Leasehold rights	-	361	-	2,728	-	828	-	-	-	3,917
Goodwill	-	-	127,959	127,959	137	137	-	-	128,096	128,096
Intangible assets other than goodwill	1,974	1,689	48,273	48,431	1,716	1,521	(257)	(257)	51,706	51,384
Other assets	336,950	246,771	28,893	24,391	25,294	26,618	(221,016)	(221,975)	170,121	75,805
Segment assets as at 31 December	419,004	283,917	274,202	263,109	53,001	51,332	(222,853)	(222,741)	523,354	375,617
Segment liabilities as at 31 December	338,164	203,758	66,190	56,829	26,530	28,433	(19,125)	(21,770)	411,759	267,250

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Promotional privileges

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

Revenue from sale of goods and rendering of services under the promoted business of the subsidiaries for the years ended 31 December 2020 and 2019 were as follow:

	Consolidated financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Domestic sale of goods and rendering of services	9,692	8,703
Total	9,692	8,703

Contract balances

As at 31 December 2020 the Group had outstanding balances of contract liabilities in the consolidated financial statements amounting to Baht 958 million (2019: Baht 794 million). The contract liabilities arises from consideration allocated to customer loyalty programmes. The Group will recognise this revenue when a customer obtain control of the goods or services, which is expected to occur within 1 year.

24 Leases

As a lessee

The Group has enter into a number of various assets categories primarily on respect of land and building lease agreements. These agreements are effective for period of 2 years to 38 years, which will expire on various dates until February 2050 with extension options at the end of lease term. The rental is payable as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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<i>For the year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>					
Sub-lease income		7	7	-	-
Depreciation of right-of-use assets:	14				
- Land		1,636	-	1,262	-
- Buildings		7,044	-	6,546	-
- Machinery and equipment		191	-	-	-
- Furniture, fixtures and office equipment		21	-	-	-
- Vehicles		111	-	-	-
Interest on lease liabilities	17	1,272	-	886	-
Expenses relating to short-term leases		783	-	577	-
Expenses relating to leases of low-value assets		177	-	52	-
Variable lease payments based on sales		53	-	53	-
Lease expense		-	9,863	-	8,757

Total cash outflow for leases presented in consolidated and separate statement of cash flows for the year ended 31 December 2020 were Baht 9,539 million and Baht 7,999 million, respectively.

As a lessor

The Group has entered into a number of land and spaces in buildings lease agreements which were classified as operating leases. These lease agreements are effective for period of 1 to 20 years and will expire on various dates until February 2025.

<i>Lease payments under operating lease are receivable</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>At 31 December 2020</i>		
1 st year	71	-
2 nd year	35	-
3 rd year	11	-
4 th year	5	-
Total	122	-
<i>Minimum lease payments under operating lease are receivable</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>At 31 December 2019</i>		
Within 1 year	61	-
1 - 5 years	44	-
Total	105	-

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25 Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Sale promotion income	12,674	11,605	12,413	11,528
Income on royalties and other fees relating to licenses income	2,284	2,346	2,269	2,346
Other	5,365	5,860	5,890	6,046
Total	20,323	19,811	20,572	19,920

26 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Salaries, wages and bonus		34,405	34,718	21,643	22,424
Staff welfares		952	1,147	459	584
Contribution to social security fund		683	785	455	523
Defined benefit plans	20	419	1,193	215	681
Contribution to provident fund		332	315	174	165
Training expenses		144	178	1,100	1,562
Other		153	166	68	58
Total		37,088	38,502	24,114	25,997

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

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27 Expenses by nature

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Changes in inventories of finished goods and work in progress		(315)	(1,882)	(478)	(1,225)
Purchase of finished goods		384,806	401,902	210,445	233,804
Raw materials and consumables used		9,340	9,659	-	-
Depreciation - property, plant and equipment	13	10,892	10,166	6,755	6,091
Depreciation - right-of-use assets	14	9,003	-	7,808	-
Amortisation - leasehold rights		-	308	-	112
Amortisation - intangible assets other than goodwill	16	754	747	289	253
Employee benefit expenses	26	37,088	38,502	24,114	25,997
Convenience store management fees		19,196	21,345	19,196	21,345
Advertising and sale promotion expenses		14,402	13,972	13,371	12,676
Utilities expenses		9,888	9,774	7,545	7,444
Lease-related expenses (2019: rental fees)		1,013	9,863	682	8,757
Other		22,671	23,269	16,388	17,457
Total cost of sales of goods and rendering of services, distribution costs and administrative expenses		518,738	537,625	306,115	332,711

28 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Finance costs paid to:					
Related party	6	-	-	26	18
Related parties under leases (2019: finance leases)	6, 17	8	-	-	-
Financial institutions		7,254	6,668	6,910	6,308
Other parties under leases (2019: finance leases)	17	1,264	53	886	-
Total		8,526	6,721	7,822	6,326

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29 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current tax				
Current year	2,972	4,376	407	1,918
Over provided in prior years	(43)	(31)	-	-
	<u>2,929</u>	<u>4,345</u>	<u>407</u>	<u>1,918</u>
Deferred income tax				
Movements in temporary differences	(170)	(275)	(112)	(101)
	<u>(170)</u>	<u>(275)</u>	<u>(112)</u>	<u>(101)</u>
Total	<u>2,759</u>	<u>4,070</u>	<u>295</u>	<u>1,817</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2020		2019			
	Before income tax	Tax expense	Net of income tax	Before income tax	Tax benefit	Net of income tax
	<i>(in million Baht)</i>					
(Gain) loss on remeasurements of defined benefit plans	(51)	9	(42)	545	(99)	446
Total	<u>(51)</u>	<u>9</u>	<u>(42)</u>	<u>545</u>	<u>(99)</u>	<u>446</u>

	Separate financial statements					
	2020		2019			
	Before income tax	Tax expense	Net of income tax	Before income tax	Tax benefit	Net of income tax
	<i>(in million Baht)</i>					
(Gain) loss on remeasurements of defined benefit plans	(61)	12	(49)	328	(66)	262
Total	<u>(61)</u>	<u>12</u>	<u>(49)</u>	<u>328</u>	<u>(66)</u>	<u>262</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
Applicable tax rate (%)	0%	20%	Other	Total
	<i>(in million Baht)</i>			
2020				
Accounting profit (loss) before income tax expense	(138)	20,268	(868)	19,262
Income tax at the applicable tax rates	-	4,054	-	4,054
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,250)	(2)	(1,252)
Over provided in prior years	-	(42)	(1)	(43)
Net	<u>-</u>	<u>2,762</u>	<u>(3)</u>	<u>2,759</u>

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Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other	Total
		<i>(in million Baht)</i>		
2019				
Accounting profit (loss) before income tax expense	318	26,935	(489)	26,764
Income tax at the applicable tax rates	-	5,387	11	5,398
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,295)	(2)	(1,297)
Over provided in prior years	-	(30)	(1)	(31)
Net	-	4,062	8	4,070

Applicable tax rate (%)	Separate financial statements	
	20%	20%
	2020	2019
	<i>(in million Baht)</i>	
Accounting profit before income tax expense	14,593	21,997
Income tax at the applicable tax rates	2,919	4,399
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(2,624)	(2,582)
Net	295	1,817

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deferred tax assets	1,787	1,291	1,117	626
Deferred tax liabilities	(14,947)	(15,003)	-	-
Net	(13,160)	(13,712)	1,117	626

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Movements in deferred tax assets and liabilities during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements (Charged)/ credited to				
	Brought forward balance - as previously reported	Impact of changes in accounting policies (see note 3)	At 1 January (in million Baht)	Profit or loss	Other comprehensive income
					At 31 December
2020					
Deferred tax assets (liabilities)					
Trade accounts receivable and other receivables	9	-	9	3	-
Inventories	152	-	152	15	-
Investments in associate	-	-	-	(940)	-
Property, plant and equipment	64	-	64	(1)	-
Right-of use assets	(104)	(7,434)	(7,538)	(1,605)	(9,143)
Derivatives liabilities	-	-	-	940	940
Lease liabilities (2019: finance lease liabilities)	121	7,840	7,961	1,716	9,677
Provisions for employee benefits	858	-	858	53	902
Fair value adjustment assets acquired through business combinations	(15,003)	-	(15,003)	56	(14,947)
Other	191	(15)	176	(67)	109
Total	(13,712)	391	(13,321)	170	(13,160)

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	Separate financial statements (Charged)/ credited to				
	Brought forward balance - as previously reported	Impact of changes in accounting policies (see note 3)	At 1 January (in million Baht)	Profit or loss	Other comprehensive income
					At 31 December
2020					
Deferred tax assets (liabilities)					
Other receivables	2	-	2	1	3
Inventories	33	-	33	11	44
Investments in associate	-	-	-	(940)	(940)
Property, plant and equipment	24	-	24	-	24
Right-of use assets	-	(7,434)	(7,434)	(501)	(7,935)
Derivatives liabilities	-	-	-	940	940
Lease liabilities	-	7,840	7,840	563	8,403
Provisions for employee benefits	552	-	552	38	578
Other	15	(15)	-	-	-
Total	626	391	1,017	112	1,117

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	Consolidated financial statements		
	(Charged)/ credited to		
	At 1	Profit or loss	Other comprehensive income
	January	(in million Baht)	At 31 December
2019			
Deferred tax assets (liabilities)			
Trade accounts receivable and other receivables	7	2	-
Inventories	144	8	-
Property, plant and equipment	(52)	12	-
Provisions for employee benefits	610	149	99
Fair value adjustment assets acquired through business combinations	(15,088)	85	-
Other	293	19	-
Total	(14,086)	275	99
2019			
Deferred tax assets			
Other receivables	2	-	-
Inventories	33	-	-
Property, plant and equipment	24	-	-
Provisions for employee benefits	385	101	66
Other	15	-	-
Total	459	101	66

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30 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to equity holders of the Company less cumulative interest for the years on perpetual subordinated debentures and the number of ordinary shares outstanding during the years as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht/million shares)</i>			
Profit for the year attributable to equity holders of the Company	16,102	22,343	14,298	20,180
Less: cumulative interest for the year on perpetual subordinated debentures	<u>(1,003)</u>	<u>(1,000)</u>	<u>(1,003)</u>	<u>(1,000)</u>
Profit used in calculation of basic earnings per share	<u>15,099</u>	<u>21,343</u>	<u>13,295</u>	<u>19,180</u>
Number of ordinary shares outstanding during the year	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>
Basic earnings per share (in Baht)	<u>1.68</u>	<u>2.38</u>	<u>1.48</u>	<u>2.14</u>

31 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	<u>1.25</u>	<u>11,229</u>
<i>2019</i>				
2018 Annual dividend	26 April 2019	22 May 2019	<u>1.20</u>	<u>10,780</u>

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32 Financial instruments

(a) Carrying amounts and fair values

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

	Consolidated financial statements							
	Carrying amount			Fair value				
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in million Baht)	Level 1	Level 2	Level 3	Total
31 December 2020								
Financial assets								
Derivatives assets	-	1	-	1	-	1	-	1
Financial liabilities								
Debentures	-	-	152,996	152,996	-	160,042	-	160,042
Long-term borrowings from financial institutions	-	-	88,332	88,332	-	89,260	-	89,260
Derivatives liabilities	4,386	1	-	4,387	-	4,387	-	4,387
Accrued guarantee deposits	-	-	3,634	3,634	-	3,058	-	3,058

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	Carrying amount		Separate financial statements			Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	
			(in million Baht)			
					</	

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		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2019					
<i>Financial liabilities not measured at fair value</i>					
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					
<i>Financial liabilities not measured at fair value</i>					
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.

Financial instruments not measured at fair value

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

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

(b) Financial risk management policies

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

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

(b.1.1) Trade accounts receivable and other current receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the risk management committee.

The Group establishes policies to limit its exposure to credit risk from trade accounts receivable by setting period for credit terms in order to be capable of competing in market where the Group has operated. The credit terms range from 7 days to 90 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivable and other current receivables.

At 31 December 2020	Note	Consolidated financial statements			
		Trade accounts receivable	Other current receivables	Total carrying amounts	Allowance for expected credit loss
		(in million Baht)			
Related parties					
Within credit terms		199	168	367	-
Overdue:					
Less than 3 months		28	278	306	-
3 - 6 months		3	15	18	-
6 - 12 months		4	3	7	-
Over 12 months		3	14	17	-
Total		237	478	715	-
Less allowance for expected credit loss		-	-	-	-
Net	6	237	478	715	

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		Consolidated financial statements			
At 31 December 2020 (Continued)	Note	Trade accounts receivable	Other current receivables	Total carrying amounts	Allowance for expected credit loss
(in million Baht)					
Other parties					
Within credit terms		1,091	5,840	6,931	(4)
Overdue:					
Less than 3 months		299	850	1,149	(13)
3 - 6 months		35	5	40	(9)
6 - 12 months		39	12	51	(44)
Over 12 months		38	29	67	(55)
Total		1,502	6,736	8,238	(125)
Less allowance for expected credit loss		(89)	(36)	(125)	
Net		1,413	6,700	8,113	
Grand total		1,650	7,178	8,828	
		Separate financial statements			
At 31 December 2020	Note	Trade accounts receivable	Other current receivables	Total carrying amounts	Allowance for expected credit loss
(in million Baht)					
Related parties					
Within credit terms		-	1,486	1,486	-
Overdue:					
Less than 3 months		-	175	175	-
3 - 6 months		-	20	20	-
6 - 12 months		-	-	-	-
Over 12 months		-	-	-	-
Total		-	1,681	1,681	-
Less allowance for expected credit loss		-	-	-	
Net	6	-	1,681	1,681	
Other parties					
Within credit terms		252	2,766	3,018	-
Overdue:					
Less than 3 months		-	816	816	(1)
3 - 6 months		-	2	2	(1)
6 - 12 months		-	7	7	(6)
Over 12 months		-	10	10	(10)
Total		252	3,601	3,853	(18)
Less allowance for expected credit loss		-	(18)	(18)	
Net		252	3,583	3,835	
Grand total		252	5,264	5,516	

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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<i>Trade accounts receivable</i>	<i>Note</i>	Consolidated financial statements (in million Baht)	Separate financial statements
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	6	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
Other current receivables			
	<i>Note</i>	Consolidated financial statements (in million Baht)	Separate financial statements
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	6	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.

<i>Movement of allowance for expected credit loss of trade accounts receivable and other current receivables</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
As at 1 January 2020	79	15
Addition	64	6
Reversal	(5)	-
Write-off	(12)	(3)
Exchange differences on translating financial statements	(1)	-
As at 31 December 2020	125	18

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with external credit ratings, for which the Group considers to have low credit risk.

(b.2) Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
As at 31 December 2020	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in million Baht)			
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	1,050	1,052	-	-	-	1,052
Trade accounts payable	72,778	72,778	-	-	-	72,778
Other payables	3,849	3,849	-	-	-	3,849
Short-term borrowings from other parties	6	6	-	-	-	6
Debentures	152,996	20,808	22,632	79,362	62,083	184,885
Long-term borrowings from financial institutions	88,332	92,009	2,450	1,020	141	95,620
Lease liabilities	50,583	8,678	8,006	18,568	26,723	61,975
	369,594	199,180	33,088	98,950	88,947	420,165

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Consolidated financial statements						
			Contractual cash flows			
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
<i>As at 31 December 2020</i>	Carrying amount	1 year or less	(in million Baht)			Total
<i>Derivative financial liabilities</i>						
Forward exchange contracts	4,387					
- Cash outflow		(69,786)	-	-	-	(69,786)
- Cash inflow		21	-	-	-	21
	<u>4,387</u>	<u>(69,765)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,765)</u>
Separate financial statements						
			Contractual cash flows			
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
<i>As at 31 December 2020</i>	Carrying amount	1 year or less	(in million Baht)			Total
<i>Non-derivative financial liabilities</i>						
Trade accounts payable	36,493	36,493	-	-	-	36,493
Other payables	8,788	8,788	-	-	-	8,788
Debentures	152,996	20,808	22,632	79,362	62,083	184,885
Long-term borrowings from financial institutions	79,620	86,443	-	-	-	86,443
Lease liabilities	42,018	7,688	7,085	16,374	15,026	46,173
	<u>319,915</u>	<u>160,220</u>	<u>29,717</u>	<u>95,736</u>	<u>77,109</u>	<u>362,782</u>
<i>Derivative financial liabilities</i>						
Forward exchange contracts	4,386					
- Cash outflow		(69,736)	-	-	-	(69,736)
	<u>4,386</u>	<u>(69,736)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,736)</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial 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 inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

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

Consolidated financial statements					
Maturity period					
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2019					
Financial assets					
Time deposits	1.65 - 6.85	249	-	-	249
Debt securities	1.80	410	-	-	410
Total		659	-	-	659
Financial liabilities					
Promissory notes	Market rate	171	-	-	171
Liabilities under trust receipts	Market rate	607	-	-	607
Short-term borrowings from financial institutions	1.60 - 6.58	2,549	-	-	2,549
Short-term borrowings from other parties	Market rate	14	-	-	14
Debentures	2.86 - 5.35	12,290	73,814	46,780	132,884
Long-term borrowings from financial institutions	Interest rate as stipulated on agreement	239	8,211	388	8,838
Finance lease liabilities	6.00 - 9.00	92	332	217	641
Guarantee deposits payable to franchisees	1.25 - 1.50	-	47	3,859	3,906
Total		15,962	82,404	51,244	149,610
Separate financial statements					
Maturity period					
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2019					
Financial asset					
Short-term loans to subsidiaries	4.75	6,117	-	-	6,117
Total		6,117	-	-	6,117
Financial liabilities					
Short-term borrowings from financial institutions	1.60 - 1.67	2,500	-	-	2,500
Short-term borrowing from subsidiary	4.50	700	-	-	700
Debentures	2.86 - 5.35	12,290	73,814	46,780	132,884
Guarantee deposits payable to franchisees	1.25	-	-	3,859	3,859
Total		15,490	73,814	50,639	139,943

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(b.3) Market risk

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

(b.3.1) Foreign currency risk

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

The Company is exposed to the transactions with foreign currency risk to the extent that there is a mismatch between the currency in which borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is primarily Baht. The currency in which these transactions are primarily denominated are United States dollar.

The Company risk management policy is to hedge 70% to 140% its estimated foreign currency exposure in respect of forecast repayment of borrowings from financial institutions over the following 12 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, mostly with less-than-one-year maturity from the reporting date. These contracts are generally designated as cash flow hedges.

The Company designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve. The Company policy specifies the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

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As at 31 December 2020 and 2019 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Consolidated financial statements											
	United States Dollar	Australian Dollar	Pound Sterling	Euro	Swiss Franc	Singapore Dollar	Hong Kong Dollar	Yen	Cambodia Riel	China Renminbi	Total
	<i>(in million Baht)</i>										
<i>At 31 December 2020</i>											
Cash and cash equivalents	180	1	-	-	-	-	1	-	19	152	353
Trade accounts receivable and other receivables	16	8	-	2	4	-	-	-	-	-	30
Trade accounts payable and other payables	(607)	(83)	(35)	(121)	(6)	(2)	-	(23)	-	(1)	(878)
Long-term borrowings from Financial institutions	(66,551)	-	-	-	-	-	-	-	-	-	(66,551)
Net statement of financial position exposure											
Forward exchange purchase contracts	(66,962)	(74)	(35)	(119)	(2)	(2)	1	(23)	19	151	(67,046)
Forward exchange selling contracts	65,998	-	-	97	6	-	-	29	-	-	66,130
	(31)	-	-	-	(13)	-	-	-	-	-	(44)
Net exposure	(995)	(74)	(35)	(22)	(9)	(2)	1	6	19	151	(960)

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<i>At 31 December 2020</i>	Separate financial statements	
	United States	Total
	Dollar (in million Baht)	
Cash and cash equivalents	139	139
Long-term borrowings from financial institutions	(66,551)	(66,551)
Net statement of financial position exposure	(66,412)	(66,412)
Forward exchange purchase contracts	65,727	65,727
Forward exchange selling contracts	-	-
Net exposure	(685)	(685)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the United States Dollar against all other currencies as at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>At 31 December 2020</i>	Movement (%)	Consolidated financial statements		Separate financial statements	
		Profit/ (loss)		Profit/ (loss)	
		Strengthening	Weakening (in million Baht)	Strengthening	Weakening
United States Dollar	1	(670)	670	(664)	664

(b.3.2) Interest rate risk

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

<i>Exposure to interest rate risk at 31 December 2020</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Financial instruments with fixed interest rates</i>		
Financial assets	37	5,500
Financial liabilities	(161,055)	(152,996)
	(161,018)	(147,496)
Interest rate swaps	-	-
	(161,018)	(147,496)

For exposure to interest rate risk at 31 December 2019, please see the table under topic: liquidity risk.

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Notes to the financial statements

For the year ended 31 December 2020

(b.4) Cash flow hedges

At 31 December 2020, the Company held the following financial instruments to hedge exposures to changes in foreign currency.

	Consolidated financial statements/ Separate financial statements		
		Maturity	
	1 - 6 months	6 - 12 months	More than one year
Foreign currency risk at 31 December 2020			
Forward exchange contracts			
Net exposure (in million Baht)	60,697	2,718	-
Average USD:THB forward contracts rate	32.00	32.60	-

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Consolidated financial statements/ Separate financial statements		
	Change in value used for calculating hedge ineffectiveness	Cash flow hedges reserve (in million Baht)	Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
Foreign currency risk at 31 December 2020			
Investment in associate	-	(4,699)	-
Borrowings	-	392	-

The amounts relating to items designated as hedging instruments were as follows:

	Consolidated financial statements/ Separate financial statements (in million Baht)
Foreign currency risk at 31 December 2020	
Forward exchange contracts - nominal amount	67,358
Carrying amount included in:	
- derivatives liabilities	(4,307)
Foreign currency risk for the year ended 31 December 2020	
Recognised in other comprehensive income	
- changes in value of the hedging instrument	(4,307)
- hedging reserve transferred to investment in associate	4,699
Recognised in profit or loss	
- reclassified from hedging reserve and included in foreign exchange loss	(392)

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The following table provides a reconciliation of other components of equity and analysis of other comprehensive income items resulting from cash flow hedge accounting.

	Consolidated financial statements/ Separate financial statements (in million Baht)
Cash flow hedges reserve - foreign currency risk	
Balance at 1 January 2020	-
Changes in fair value:	
- borrowings	392
- investment in associate	(4,699)
Amount reclassified to profit or loss:	
- borrowings	(392)
Amount included in the cost of non-financial item:	
- investment in associate	4,699
Balance at 31 December 2020	-

33 Capital Management

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

34 Supplemental disclosures of cash flows information

Property, plant and equipment and intangible assets other than goodwill paid by cash during the years ended 31 December 2020 and 2019 are detailed as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
<i>Property, plant and equipment</i>					
Increases during the year	13	15,273	15,978	10,935	10,519
Add (Less) - changes in payables		114	873	834	(335)
- assets under finance leases		-	(14)	-	-
Purchase and paid by cash		15,387	16,837	11,769	10,184
<i>Intangible assets other than goodwill</i>					
Increases during the year	16	1,009	799	574	548
Add (Less) - changes in payables		10	53	18	(97)
Purchase and paid by cash		1,019	852	592	451

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35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Capital commitments				
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)	506	988	-	-
Total	506	988	-	-
Other commitments				
Unused letters of credit for purchase of goods and supplies	635	355	-	-
Total	635	355	-	-

Letters of guarantee

As at 31 December 2020 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 1,877 million and United States Dollars 0.3 million (2019: Baht 2,063 million and United States Dollars 0.3 million).

Significant agreements

As at 31 December 2020 the Group had the following significant agreements:

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

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- (d) A local subsidiary (Gosoft (Thailand) Co., Ltd.) has service agreements with local companies (“the parties”), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 6 months, and will expire on various dates until April 2021.
- (e) A local subsidiary (Counter Service Co., Ltd.) has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, etc.), and other local companies (e.g., hire purchase, life insurance premium, etc.) (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the parties then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers or local companies as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to August 2025. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (f) A local subsidiary (CP Retailink Co., Ltd.) has repair and maintenance management service agreements with local companies (“the parties”), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary (Counter Service Co., Ltd.) has service agreements with local financial institutions (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate as banking agent for cash deposits, cash withdrawals and/or receipts of customers’ bills then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers as stipulated in the agreements. These agreements are effective for periods over 1 to 3 years, started and will expire on various dates up to December 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.
- (h) A local subsidiary (Counter Service Co., Ltd.) has service agreements with local financial institutions (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate as 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 periods of 1 year to 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.
- (i) Foreign indirect subsidiaries (CP ALL (CAMBODIA) CO., LTD. and CP ALL LAOS COMPANY LIMITED) have Master Franchise Agreements with 7-Eleven, Inc., which was incorporated in the United States of America, to obtain franchising rights in the establishment and operation of 7-Eleven convenience stores in Cambodia and Laos for a period of 30 years, which the parties may agree to extend by two additional 20-year terms. The indirect subsidiaries are committed to pay a monthly fee to 7-Eleven, Inc. calculated as percentages of total sales and other income of the 7-Eleven convenience stores that are operating in Cambodia and Laos.

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36 Events after the reporting period

- 36.1 At the Board of Directors' meeting of the Company held on 22 February 2021, the Board of Directors of the Company resolved to approve the Company's increased debenture issuance and offering facility for not exceeding Baht 100,000 million, from previous facility of Baht 195,000 million, in order to issue and offer additional debentures which had the objective to repayment of matured debentures and refinance existing debentures, repayment of loans, repayment of short-term bills of exchange and/or for working capital. Debenture issuance and offering facility, when combine the increased facility and the previous facility, shall be totally not exceed Baht 295,000 million.
- 36.2 At the Board of Directors' meeting of the Company held on 22 February 2021, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2020 of Baht 0.90 per share for 8,983 million ordinary shares, totaling Baht 8,085 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.
- 36.3 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) held on 19 February 2021, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2020 of Baht 0.60 per share for 4,800 million ordinary shares, totaling Baht 2,880 million. The declaration of dividend payment must be approved by the shareholders' meeting of the subsidiary.
- 36.4 As disclosed in note 5 to the financial statements, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from COVID-19 pandemic. The guidance expired on 31 December 2020.

However, the COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. It is still not possible to predict when the spread will be over. As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group.

37 Thai Financial Reporting Standards not yet adopted

The amendment to TFRS 16 provides an option for lessees not to assess whether COVID-19-related rent concessions are lease modifications, but to directly decrease the lease liability. The impact from the application of the option shall be adjusted to retained earnings on 1 January 2021 and no adjustments are to be made on comparative financial statements. Management will apply the option starting from 1 January 2021 and expect that there will be no material impact on the consolidated and separate financial statements in the initial period application.