

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

Financial statements for the year ended
31 December 2021
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 2021, 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 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories	
Refer to notes 3(g) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management's judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories. 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 3(j), 3(k), 3(m), 16 and 17 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.



Business combination by entire business transfer	
Refer to notes 3(a), 4 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>On 25 October 2021, the Group completed business combination by entire business transfer of Lotus's Group. The Group has engaged independent valuers to estimate fair value of identifiable assets acquired and liabilities assumed, including consideration transferred, which result in the recording of provisional intangible assets of Baht 5,221 million and provisional goodwill of Baht 232,545 million in the consolidated statement of financial position as at 31 December 2021.</p> <p>Due to the materiality, complexities of the transactions, and the significant judgement involved in identification and determining the fair value of identifiable assets acquired and liabilities assumed, including consideration transferred, I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Inquired management and read the entire business transfer agreements to understand key objective, terms and conditions of the transactions. • Evaluated appropriateness of the identification of all the identifiable assets acquired and liabilities assumed by the Group. • Evaluated knowledge, competency and independence of the independent valuer of the Group. • Evaluated appropriateness of assumptions and methodologies underpinning the valuations of the fair value of identifiable assets acquired and liabilities assumed, including consideration transferred in independent valuer's draft appraisal report and tested calculation. • Involved KPMG valuation specialist to evaluate the financial parameters applied to the discount rate, identification of the intangible assets, valuation methodology used and calculation rationale. • Assessed the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 4 to the financial statements, during the year ended 31 December 2021, the Group completed the business combination by entire business transfer of Lotus's Group, the independent valuers are still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed from the business combination. For the preparation of the consolidated financial statements for the year ended 31 December 2021, the Group has provisionally estimated the fair values of the identifiable assets acquired and liabilities assumed from the business combination by considering information in the draft appraisal report obtained from the independent valuers and recorded the difference between the consideration transferred and values of the assets and liabilities in the account "Goodwill" amounting to Baht 232,545 million. As at the reporting date, the reviews of appraisal report have not yet been completed therefore the determination of the fair value and the allocation of the consideration transferred was determined provisionally and is subject to potential amendment. My opinion is not modified in respect of this matter.





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
24 February 2022

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
Current assets					
Cash and cash equivalents	6	92,347,866,825	40,589,081,046	19,457,191,000	21,577,546,296
Current investments	7	4,785,739,471	36,568,950	-	-
Trade accounts receivable	5, 8	3,340,619,443	1,650,221,749	161,694,336	251,727,193
Other current receivables	5, 8	13,744,697,837	7,177,743,244	8,782,826,158	5,264,342,188
Short-term loans to subsidiaries	5	-	-	7,654,964,500	5,500,000,000
Inventories	5, 9	50,534,771,233	31,748,781,315	16,316,273,366	15,107,036,417
Derivatives assets	34	608,936,805	513,478	-	-
Other current assets		410,481,036	222,880,116	168,922,690	184,671,983
Total current assets		165,773,112,650	81,425,789,898	52,541,872,050	47,885,324,077
Non-current assets					
Investments in subsidiaries	11	-	-	281,356,774,084	201,010,496,273
Investment in associate	10	9,139,468,357	85,552,404,610	-	85,634,847,791
Investments in joint ventures	10	4,875,371,520	-	-	-
Investments in related companies	5, 34	820,820,832	34,000,000	526,070,832	34,000,000
Other long-term investments		2,041,800	2,041,800	-	-
Other non-current receivables		224,077,941	170,938,304	-	-
Investment properties	13	45,488,687,686	332,832,502	-	-
Property, plant and equipment	5, 14	211,533,291,450	120,176,726,188	40,782,361,168	39,046,981,901
Right-of-use assets	15	77,266,393,792	52,898,697,527	38,726,575,504	41,010,868,851
Goodwill	16	360,641,443,961	128,096,020,528	-	-
Intangible assets other than goodwill	5, 17	51,115,273,741	51,706,294,153	2,310,531,960	1,973,594,681
Deferred tax assets	31	2,598,613,704	1,786,493,870	1,842,702,912	1,117,351,038
Other non-current assets	5	2,413,966,984	1,172,090,328	1,096,923,169	1,290,810,764
Total non-current assets		766,119,451,768	441,928,539,810	366,641,939,629	371,118,951,299
Total assets		931,892,564,418	523,354,329,708	419,183,811,679	419,004,275,376

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	
		2021	2020	2021	2020
(in Baht)					
Current liabilities					
Short-term borrowings from					
financial institutions	18, 34	42,690,844,508	1,050,248,650	13,492,976,226	-
Trade accounts payable	5, 19, 34	106,863,249,856	72,777,713,069	38,701,165,419	36,492,527,894
Other payables	5, 20, 34	31,802,846,357	14,799,539,482	14,596,201,492	15,521,456,203
Contract liabilities	25	815,803,105	957,796,709	-	-
Short-term borrowings from					
subsidiary	5, 18	-	-	1,400,000,000	-
Short-term borrowings from					
other parties	18, 34	-	6,007,420	-	-
Current portion of debentures	18, 34	16,997,834,499	14,500,841,304	16,997,834,499	14,500,841,304
Current portion of long-term					
borrowings from financial institutions	18, 34	2,368,606,438	5,324,505,824	-	-
Current portion of lease liabilities	5, 18, 34	9,942,875,276	7,400,519,692	6,709,803,060	6,772,163,533
Income tax payable		1,338,574,635	1,210,134,515	-	-
Current derivatives liabilities	34	831,727,942	4,387,302,372	118,111,175	4,386,416,127
Other current liabilities		1,235,700,633	859,961,090	695,346,672	641,007,820
Total current liabilities		214,888,063,249	123,274,570,127	92,711,438,543	78,314,412,881
Non-current liabilities					
Debentures	18, 34	205,351,363,635	138,494,974,464	205,351,363,635	138,494,974,464
Long-term borrowings from					
financial institutions	18, 34	106,327,990,554	83,007,576,748	-	79,620,397,657
Lease liabilities	5, 18, 34	78,597,183,378	43,182,892,255	33,408,291,712	35,246,188,174
Provisions for employee benefits	21	6,643,514,241	5,085,198,792	2,880,459,809	2,866,139,225
Other non-current provisions	22	2,574,938,243	76,395,679	180,000,000	-
Rental deposits from tenants	5, 34	2,474,694,825	31,683,010	-	-
Accrued guarantee deposits	34	3,518,951,986	3,633,861,139	3,529,805,025	3,621,843,281
Deferred tax liabilities	31	17,848,389,315	14,946,902,816	-	-
Non-current derivatives liabilities	34	172,710,535	-	-	-
Other non-current liabilities		687,537,400	25,244,743	-	-
Total non-current liabilities		424,197,274,112	288,484,729,646	245,349,920,181	259,849,542,801
Total liabilities		639,085,337,361	411,759,299,773	338,061,358,724	338,163,955,682

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 financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Equity					
Share capital					
Authorised share capital (8,986 million ordinary shares, par value at Baht 1 per share)		<u>8,986,296,048</u>	<u>8,986,296,048</u>	<u>8,986,296,048</u>	<u>8,986,296,048</u>
Issued and paid-up share capital (8,983 million ordinary shares, par value at Baht 1 per share)		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	23				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Surplus (deficit) from changes in ownership interests in subsidiaries and associate	23	288,832,931	(1,462,713,268)	-	-
Retained earnings					
Appropriated					
Legal reserve	23	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		72,342,210,355	68,357,833,009	49,384,148,362	49,363,747,267
Perpetual subordinated debentures	24	19,911,229,700	19,909,154,200	19,911,229,700	19,909,154,200
Other components of equity	23	<u>24,435,462</u>	<u>(1,612,948,189)</u>	<u>259,656,666</u>	<u>-</u>
Equity attributable to equity holders of the Company		104,134,126,675	96,758,743,979	81,122,452,955	80,840,319,694
Non-controlling interests	12	<u>188,673,100,382</u>	<u>14,836,285,956</u>	<u>-</u>	<u>-</u>
Total equity		<u>292,807,227,057</u>	<u>111,595,029,935</u>	<u>81,122,452,955</u>	<u>80,840,319,694</u>
Total liabilities and equity		<u>931,892,564,418</u>	<u>523,354,329,708</u>	<u>419,183,811,679</u>	<u>419,004,275,376</u>

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

CP ALL Public Company Limited and its Subsidiaries

Statement of income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Revenues	5				
Revenue from sale of goods and rendering of services		565,207,287,399	525,884,319,399	290,228,104,650	300,705,032,096
Interest income		128,881,597	156,535,609	266,982,122	337,590,810
Dividend income		336,633	299,638	7,064,481,560	6,768,016,930
Net foreign exchange gain		407,191,807	225,976,671	359,448,769	146,908,098
Gain from sale of investments in subsidiaries	11	1,317,482,006	-	1,710,600,000	-
Other income	27	20,535,772,455	20,322,864,346	20,805,744,385	20,572,106,313
Total revenues		587,596,951,897	546,589,995,663	320,435,361,486	328,529,654,247
Expenses	5				
Cost of sale of goods and rendering of services		444,838,444,699	410,880,026,805	210,777,774,677	216,980,999,314
Distribution costs		97,680,470,375	91,135,550,810	77,326,834,550	77,152,016,030
Administrative expenses		19,186,391,197	16,722,647,070	13,109,431,577	11,981,566,379
Impairment for loss on intangible assets other than goodwill	17	7,159,086,365	-	-	-
Total expenses		568,864,392,636	518,738,224,685	301,214,040,804	306,114,581,723
Profit from operating activities		18,732,559,261	27,851,770,978	19,221,320,682	22,415,072,524
Gain on step acquisition	4	6,714,300,702	-	-	-
Share of loss of associate and joint ventures accounted for using equity method	10	(226,474,305)	(63,415,210)	-	-
Profit before finance costs and income tax expense (income)		25,220,385,658	27,788,355,768	19,221,320,682	22,415,072,524
Finance costs	5, 30	12,643,003,583	8,525,992,023	11,008,736,186	7,822,083,157
Profit before income tax expense (income)		12,577,382,075	19,262,363,745	8,212,584,496	14,592,989,367
Income tax expense (income)	31	524,889,499	2,759,491,185	(819,095,505)	295,026,227
Profit for the year		12,052,492,576	16,502,872,560	9,031,680,001	14,297,963,140
Profit attributable to:					
Equity holders of the Company		12,985,479,957	16,102,416,901	9,031,680,001	14,297,963,140
Non-controlling interests	12	(932,987,381)	400,455,659	-	-
Profit for the year		12,052,492,576	16,502,872,560	9,031,680,001	14,297,963,140
Basic earnings per share (in Baht)	32	1.33	1.68	0.89	1.48

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	
		31 December		31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Profit for the year		12,052,492,576	16,502,872,560	9,031,680,001	14,297,963,140
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating					
financial statements		1,522,000,516	558,361,729	-	-
Loss on cash flow hedges	31, 34	(66,468,535)	(4,698,469,364)	-	(4,698,469,364)
Gain on cash flow hedges	34	2,563,874,518	391,556,381	2,563,874,518	391,556,381
Income tax relating to components					
of other comprehensive income on					
loss on cash flow hedges	31, 34	13,293,707	-	-	-
Gain on cash flow hedges reclassified					
to profit or loss	34	(2,632,109,509)	(391,556,381)	(2,563,874,518)	(391,556,381)
Share of other comprehensive income of					
investments accounted for using equity method	10	364,271,376	(19,027,971)	-	-
Share of other comprehensive income of					
investments accounted for using equity method					
reclassified to profit or loss		(345,243,405)	-	-	-
		<u>1,419,618,668</u>	<u>(4,159,135,606)</u>	<u>-</u>	<u>(4,698,469,364)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on investments in equity instruments					
designated at FVOCI	31, 34	324,570,832	-	324,570,832	-
Income tax relating to gain on investments in					
equity instruments designated at FVOCI	31	(64,914,166)	-	(64,914,166)	-
Gain on remeasurements of					
defined benefit plans	21, 31	276,107,066	50,769,512	150,734,759	61,123,702
Income tax relating to components					
of other comprehensive income on					
gain on remeasurements of defined					
benefit plans	31	(54,591,259)	(8,512,201)	(30,146,952)	(12,224,741)
		<u>481,172,473</u>	<u>42,257,311</u>	<u>380,244,473</u>	<u>48,898,961</u>
Other comprehensive income					
for the year, net of income tax		<u>1,900,791,141</u>	<u>(4,116,878,295)</u>	<u>380,244,473</u>	<u>(4,649,570,403)</u>
Total comprehensive income for the year		<u>13,953,283,717</u>	<u>12,385,994,265</u>	<u>9,411,924,474</u>	<u>9,648,392,737</u>

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		For the year ended	
	31 December		31 December	
Note	2021	2020	2021	2020
	(in Baht)			
Total comprehensive income				
attributable to:				
Equity holders of the Company	14,819,668,002	11,984,494,957	9,411,924,474	9,648,392,737
Non-controlling interests	12 (866,384,285)	401,499,308	-	-
Total comprehensive income				
for the year	<u>13,953,283,717</u>	<u>12,385,994,265</u>	<u>9,411,924,474</u>	<u>9,648,392,737</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

[illegible]

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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 reserve	Perpetual subordinated debentures	Translation reserve (in Baht)	Cash flow hedges reserve	investment accounted for using equity method	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
For the year ended 31 December 2020														
Balance at 1 January 2020														
Transactions with equity holders, recorded directly in equity														
Distributions to equity holders														
33		-	-	-	-	(11,228,876,685)	-	-	-	-	-	(11,228,876,685)	(318,820,902)	(11,547,697,587)
Total distributions to equity holders														
Changes in ownership interests in subsidiaries														
		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	110,223,120	110,223,120
11		-	-	(19,980,479)	-	-	-	-	-	-	-	(19,980,479)	990,479	(18,990,000)
Total changes in ownership interests in subsidiaries														
		-	-	(19,980,479)	-	-	-	-	-	-	-	(19,980,479)	111,213,599	91,233,120
Total transactions with equity holders, recorded directly in equity														
Comprehensive income for the year														
		-	-	-	-	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)
Total comprehensive income for the year														
		-	-	-	-	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
Interest payment on perpetual subordinated debentures														
24		-	-	-	-	(1,002,739,727)	-	-	-	-	-	(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	(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

Separate financial statements								Other component of equity	
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Perpetual subordinated debentures	Fair value reserve		Total equity
			Legal reserve	Unappropriated (in Baht)					
For the year ended 31 December 2021									
	8,983,101,348	1,684,316,879	900,000,000	49,363,747,267	19,909,154,200	-	-	80,840,319,694	
Transactions with equity holders, recorded directly in equity									
<i>Distributions to equity holders</i>									
33	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	
Total transactions with equity holders, recorded directly in equity									
	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	
Comprehensive income for the year									
	-	-	-	9,031,680,001	-	-	-	9,031,680,001	
	-	-	-	120,587,807	-	-	259,656,666	380,244,473	
	-	-	-	9,152,267,808	-	-	259,656,666	9,411,924,474	
24	-	-	-	-	9,955,000,000	-	-	9,955,000,000	
24	-	-	-	(47,075,500)	(9,952,924,500)	-	-	(10,000,000,000)	
24	-	-	-	(1,000,000,000)	-	-	-	(1,000,000,000)	
	8,983,101,348	1,684,316,879	900,000,000	49,384,148,362	19,911,229,700	259,656,666	-	81,122,452,955	

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

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		Cash flow hedges reserve	Total equity
(in Baht)							
For the year ended 31 December 2020							
	8,983,101,348	1,684,316,879	900,000,000	47,248,501,578	19,909,154,200	-	78,725,074,005
Balance at 1 January 2020							
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
33	-	-	-	(11,228,876,685)	-	-	(11,228,876,685)
Dividends							
Total transactions with equity holders, recorded directly in equity							
Comprehensive income for the year							
	-	-	-	14,297,963,140	-	-	14,297,963,140
Profit							
	-	-	-	48,898,961	-	(4,698,469,364)	(4,649,570,403)
Other comprehensive income							
Total comprehensive income for the year							
	-	-	-	14,346,862,101	-	(4,698,469,364)	9,648,392,737
Interest payment on perpetual subordinated debentures							
24	-	-	-	(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 cash flows

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the year		12,052,492,576	16,502,872,560	9,031,680,001	14,297,963,140
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation of investment properties	13	748,587,692	-	-	-
Depreciation of property, plant and equipment	14	12,386,127,286	10,892,144,839	7,165,993,582	6,754,924,481
Depreciation of right-of-use assets	15	10,460,698,642	9,003,221,459	8,681,426,114	7,808,152,359
Amortisation of intangible assets					
other than goodwill	17	890,625,540	754,584,359	329,277,194	288,737,371
Interest income		(128,881,597)	(156,535,609)	(266,982,122)	(337,590,810)
Dividend income		(336,633)	(299,638)	(7,064,481,560)	(6,768,016,930)
Gain from sale of investments in subsidiaries	11	(1,317,482,006)	-	(1,710,600,000)	-
Finance costs	30	12,643,003,583	8,525,992,023	11,008,736,186	7,822,083,157
Income tax expense (income)	31	524,889,499	2,759,491,185	(819,095,505)	295,026,227
Provisions for employee benefits	21	468,557,582	419,535,305	211,920,196	214,921,920
Loss (reversal of allowance for loss)					
on decline in value of inventories	9	1,990,950,963	113,523,020	(62,554)	54,366,821
Reversal of impairment loss on					
investment properties	13	(1,302,869)	-	-	-
Impairment loss on					
property, plant and equipment	14	79,556,019	39,000	-	-
Impairment loss on right-of-use assets	15	79,950,427	-	-	-
Impairment loss on intangible assets					
other than goodwill	17	7,159,086,365	-	-	-
Impairment loss on trade accounts					
receivable and other receivables		365,631,399	49,178,294	1,953,594	6,150,719
Unrealised gain on exchange		(109,198,593)	(59,462,879)	(125,214,500)	(43,331,879)
Share of loss of associate and joint ventures					
accounted for using equity method	10	226,474,305	63,415,210	-	-
Loss on disposal and write-off of					
investment properties		4,795,198	-	-	-
Loss on disposal and write-off of					
property, plant and equipment		192,528,585	139,295,729	67,941,574	126,454,907
Gain on disposal and write-off of					
right-of-use assets		(147,266,512)	(163,646,378)	(123,610,949)	(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	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in Baht)</i>			
Loss (gain) on write-off of intangible assets					
other than goodwill		19,093,327	(866,887)	19,090,382	29,227
Differences on a granted rent concession		(577,695,910)	33,423,507	(577,695,910)	33,423,507
Share of other comprehensive income					
of investments accounted					
for using equity method	10	(345,243,405)	-	-	-
Gain on step acquisition	4	(6,714,300,702)	-	-	-
		50,951,340,761	48,875,905,099	25,830,275,723	30,394,795,874
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(901,120,426)	19,755,740	90,032,857	(135,635,472)
Other receivables		(2,696,146,082)	624,256,385	(1,499,511,250)	119,921,007
Inventories		(6,299,338,420)	(324,450,123)	(1,209,174,395)	(477,561,322)
Derivatives assets		(102,810,823)	(513,478)	(77,188,831)	-
Other current assets		(226,524,934)	77,504,361	(6,092,784)	89,312,667
Other non-current assets		648,722,968	(188,107,194)	193,887,595	(52,844,075)
Trade accounts payable		11,796,367,116	(5,770,446,931)	2,208,637,525	(4,839,130,562)
Other payables		(3,232,022,455)	(408,888,103)	(1,694,778,804)	(2,312,293,727)
Contract liabilities		(141,993,604)	163,632,790	-	-
Derivatives liabilities		(22,316,128)	886,245	68,984,035	-
Other current liabilities		373,771,043	(48,636,552)	54,338,851	2,930,031
Provisions for employee benefits paid	21	(160,697,173)	(127,100,290)	(50,873,273)	(60,060,642)
Transferred in of provisions for					
employee benefits	21	5,250,133	898,000	4,008,420	599,710
Other non-current provisions		332,045,132	76,395,679	-	-
Rental deposits from tenants		(175,822,104)	31,683,010	-	-
Accrued guarantee deposits		156,513,052	(292,515,390)	(92,038,256)	(236,984,585)
Other non-current liabilities		(104,450,642)	(2,572,277)	180,000,000	-
Net cash generated from operating		50,200,767,414	42,707,686,971	24,000,507,413	22,493,048,904
Income tax paid		(3,881,946,684)	(3,559,342,664)	(663,352,614)	(1,102,964,540)
Net cash from operating activities		46,318,820,730	39,148,344,307	23,337,154,799	21,390,084,364

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	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Cash flows from investing activities					
Interest received		103,300,820	163,033,150	260,090,937	323,054,882
Dividends received		336,633	299,638	7,064,481,560	6,768,016,930
Dividends received from associate	10	81,162,222	-	-	-
Acquisition of current investments	7	(809,039,471)	(110,000,000)	-	-
Proceeds from sale of current investments	7	2,036,554,700	730,928,072	-	-
Cash outflow on short-term loans to subsidiaries	5	-	-	(3,799,750,000)	(233,000,000)
Proceeds from repayment of short-term loans to subsidiaries	5	-	-	1,770,000,000	849,500,000
Cash outflow on investments in subsidiaries	11	-	-	(1,182,830,020)	(1,482,964,969)
Proceeds from sale of investments in subsidiaries	11	-	-	988,000,000	-
Cash outflow on investment in associate	10	-	(80,936,378,427)	-	(80,936,378,427)
Proceeds from sale of investments in related companies		1,014,099,217	-	-	-
Cash outflow on investments in related companies		(362,250,000)	-	(67,500,000)	-
Acquisition of investment properties		(65,825,162)	-	-	-
Proceeds from sale of investment properties		222,796	-	-	-
Acquisition of property, plant and equipment		(14,071,553,335)	(15,387,288,294)	(8,526,763,356)	(11,768,949,845)
Proceeds from sale of property, plant and equipment		263,450,634	124,774,445	137,799,914	81,144,629
Acquisition of right-of-use assets		(1,341,208,768)	(981,966,880)	(839,749,496)	(787,396,460)
Proceeds from sale of right-of-use assets		8,079,851	11,678,340	8,079,851	11,678,340
Acquisition of intangible assets other than goodwill		(2,278,332,314)	(1,019,581,858)	(681,586,415)	(592,038,416)
Proceeds from sale of intangible assets other than goodwill		159,122,137	-	158,320,151	-
Cash inflow on entire business transfer		13,165,259,377	-	-	-
Net cash used in investing activities		(2,096,620,663)	(97,404,501,814)	(4,711,406,874)	(87,767,333,336)

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	
		2021	2020	2021	2020
(in Baht)					
Cash flows from financing activities					
Proceeds from issue of ordinary shares					
of the subsidiary		33,006,631,348	-	-	-
Interest paid		(8,616,802,578)	(6,940,880,759)	(8,213,841,279)	(6,620,422,207)
Interest paid on perpetual					
subordinated debentures	24	(1,000,000,000)	(1,002,739,727)	(1,000,000,000)	(1,002,739,727)
Dividends paid to equity holders of					
the Company	33	(8,084,778,526)	(11,228,970,516)	(8,084,778,526)	(11,228,970,516)
Dividends paid to non-controlling interests		(332,105,588)	(318,820,902)	-	-
Payment of lease liabilities	18	(9,853,735,115)	(8,525,569,966)	(7,745,303,824)	(7,316,678,298)
Increases (decreases) in short-term borrowings					
from financial institutions	18	13,272,275,699	(2,279,128,843)	13,428,442,000	(2,500,000,000)
Proceeds from short-term borrowings					
from subsidiary	5	-	-	1,400,000,000	300,000,000
Repayment of short-term borrowings					
from subsidiary	5	-	-	-	(1,000,000,000)
Repayment of short-term borrowings					
from other parties	18	(6,007,420)	(8,762,236)	-	-
Cash outflow on forward exchange contracts		(1,696,225,638)	-	(1,696,225,638)	-
Proceeds from issue of debentures	18	87,822,880,000	32,467,500,000	87,822,880,000	32,467,500,000
Repayment of debentures	18	(18,502,100,000)	(12,289,800,000)	(18,502,100,000)	(12,289,800,000)
Proceeds from long-term borrowings					
from financial institutions	18	5,000,000,000	79,244,880,351	-	79,244,383,449
Repayment of long-term borrowings					
from financial institutions	18	(89,187,803,367)	(255,785,125)	(83,852,175,954)	-
Payment of front-end fees		(5,508,147)	-	-	-
Proceeds from issue of perpetual subordinated					
debentures	24	9,955,000,000	-	9,955,000,000	-
Repayment of perpetual subordinated debentures	24	(10,000,000,000)	-	(10,000,000,000)	-
Proceeds from called for paid-up					
share capital from subsidiaries		2,797,012	110,223,120	-	-
Proceeds from (payment of) changes in					
ownership interests in subsidiaries without					
a change in control	12	5,735,628,000	(12,661,600)	5,742,000,000	-
Net cash from (used in) financing activities		7,510,145,680	68,959,483,797	(20,746,103,221)	70,053,272,701

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	2021	2020	2021	2020
		(in Baht)			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		51,732,345,747	10,703,326,290	(2,120,355,296)	3,676,023,729
Effect of exchange rate changes on cash and cash equivalents		26,440,032	25,242,214	-	6,237,019
Net increase (decrease) in cash and cash equivalents		51,758,785,779	10,728,568,504	(2,120,355,296)	3,682,260,748
Cash and cash equivalents at 1 January		40,589,081,046	29,860,512,542	21,577,546,296	17,895,285,548
Cash and cash equivalents at 31 December	6	92,347,866,825	40,589,081,046	19,457,191,000	21,577,546,296
Supplemental disclosures of cash flows information:					
Investment properties purchased during the year are detailed as follows:					
Increases during the year	13	65,825,162	-	-	-
Paid by cash		65,825,162	-	-	-
Property, plant and equipment purchased during the year are detailed as follows:					
Increases during the year	14	20,187,043,449	15,273,384,909	9,107,114,337	10,935,369,154
(Less) add - changes in payables		(6,093,648,037)	113,903,385	(558,508,904)	833,580,691
(Less) - changes in other current assets	38	(21,842,077)	-	(21,842,077)	-
Paid by cash		14,071,553,335	15,387,288,294	8,526,763,356	11,768,949,845
Right-of-use assets acquired during the year are detailed as follows:					
Increases during the year	15	10,804,087,392	13,892,491,849	8,873,396,015	12,624,392,622
Less - lease liabilities		(9,462,878,624)	(12,914,367,061)	(8,033,646,519)	(11,836,996,161)
Add - changes in payables		-	3,842,092	-	-
Paid by cash		1,341,208,768	981,966,880	839,749,496	787,396,461
Other intangible assets other than goodwill purchased during the year are detailed as follows:					
Increases during the year	17	2,287,217,917	1,008,800,894	843,625,007	573,383,094
(Less) add - changes in payables		(8,885,603)	10,780,964	(162,038,592)	18,655,322
Paid by cash		2,278,332,314	1,019,581,858	681,586,415	592,038,416

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 2021

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CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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 24 February 2022.

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, retail business and mall rental, 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 2021 was 13,134 stores (2020: 12,432 stores).

	2021 (number of stores)	2020
The Company owns and manages convenience stores	6,280	5,685
The Company franchises the license to other retailers		
- under management agreements	6,020	5,919
- under sub-license agreements	834	828
Total	13,134	12,432

Details of the Company’s subsidiaries as at 31 December 2021 and 2020 are given in note 11 to the financial statements.

2 Basis of preparation of the financial statements

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. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies described in note 3 to the financial statements have been applied consistently to all periods presented in these financial statements.

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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

3 Significant accounting policies

(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 and joint ventures.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net 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 value of 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.

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.

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

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder’s equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Subsidiaries

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

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as transactions in shareholders' equity.

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.

Associate and joint ventures

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

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

Transactions eliminated on consolidation

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

(b) Investments in subsidiaries and associate

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities measured at cost 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 fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences arising on translation 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 including goodwill and fair value adjustments arising on the acquisition of foreign entities are translated to Thai Baht at the exchange rates at the reporting date.

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 translation reserve in equity until disposal of the investment, except to the 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 Group disposes of only part of associate or joint ventures while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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 translation reserve in equity until disposal of the investment.

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Notes to the financial statements

For the year ended 31 December 2021

(d) *Financial instruments*

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade and other accounts receivable (see note 3(f) to the financial statements) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue securities, except for financial assets and financial liabilities measured at fair value through profit or loss (“FVTPL”), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit losses, and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group’s right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income (“OCI”) and are never reclassified to profit or loss.

(d.2) Derecognition and offset

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

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

CP ALL Public Company Limited and its Subsidiaries
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(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. 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 3(d.4) to the financial statements).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

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 cash flow hedges reserve. 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 recognised in a cash flow hedges 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 cash flow hedges 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 cash flow hedges 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 cash flow hedges 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 cash flow hedges reserve are immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade and other accounts receivable

The Group recognises allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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 recognises ECLs for low credit risk financial assets as 12-month ECLs.

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 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; or
- the financial asset is more than 90 days past due

(d.6) 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.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

(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 which has a maturity of three months or less from the date of acquisition.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

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Notes to the financial statements

For the year ended 31 December 2021

The Group estimates lifetime expected credit losses (“ECLs”), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) *Inventories*

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

Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories 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.

(h) *Investment properties*

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property and includes the cost of self-constructed assets.

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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of investment properties of 22 years to 99 years or according to lease term and recognised in profit or loss. No depreciation charged on freehold land under investment properties.

(i) *Property, plant and equipment*

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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that 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 when 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings and building improvements	3 - 50 years
Right-of-use asset improvements	over the lease period
Machinery and equipment	3 - 15 years
Furniture, fixtures and office equipment	1 - 15 years
Others	
- Electricity and water systems	5 - 20 years
- Vehicles	4 - 10 years
- Library book	5 years

(j) Goodwill

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.

(k) Intangible assets

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

Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortisation is provided on computer software under development.

The estimated useful lives are as follows:

Computer software	1 - 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

(l) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

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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 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 prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the 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 all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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 lease modification, or a change in options specified in the lease. 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, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises lease payments received under operating leases in profit or loss 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

The Group estimates lifetime expected credit losses ("ECLs"), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(f) to the financial statements.

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(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 in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount 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 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 the Group's provident funds 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. The defined benefit obligations is discounted to the present value, which 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.

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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.

(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.

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

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

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

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

(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 on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned. Revenue for rendering of services is recognised over time as the 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.

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Customer loyalty programmes

For customer loyalty programme that the Group offers to customers, the consideration received are allocated based on the relative stand-alone selling price of the products and, the loyalty 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 is recognised in profit or loss on a accrual basis.

(u) Income tax

Income tax expense for the year comprises current and deferred tax, which is 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 recognised in respect of 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 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 and joint ventures 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

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. 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.

(v) 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.

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For the year ended 31 December 2021

(w) *Related parties*

A related party is a person or entity that has direct or indirect control or joint 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 joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) *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.

4 **Business combination by entire business transfer**

C.P. Retail Holding Company Limited (“CPRH”) and C.P. Retail Development Company Limited (“CPRD” or “Lotus’s Group”) were incorporated in Thailand for the purpose of investing in retail business in Thailand and Malaysia.

CPRH’s major shareholders are CP ALL Public Company Limited (the “Company”), Charoen Pokphand Holdings Company Limited (“CPH”) and C.P. Merchandising Company Limited (“CPM”), which holds 40%, 40% and 20% of CPRH’s ordinary shares, respectively. CPRH holds 99.99% of CPRD’s ordinary shares.

At the Company’s Extraordinary General Meeting of Shareholders held on 12 October 2021, the Company’s shareholders approved a local subsidiary (Siam Makro Public Company Limited) to accept the transfer of the entire business (“EBT Transaction”) of CPRH to reinforce the business and support the Group’s long-term strategies to become the leader in the retail and wholesale businesses and to expand the coverage of their business operations to be at a regional level, pursuant to which the subsidiary will accept the EBT Transaction of CPRH, including all assets, debts, rights, obligations and liabilities of CPRH existing at present and in the future as at the entire business transfer date.

The EBT Transaction of CPRH was completed on 25 October 2021 (“the acquisition date”). As part of the EBT Transaction, all assets and liabilities of CPRH were transferred to the subsidiary. CPRH’s main assets and liabilities included cash and cash equivalents, accrued expenses and 99.99% of CPRD’s ordinary shares. CPRD holds (a) 99.99% of Lotus’s Stores (Thailand) Co., Ltd.’s ordinary share which holds 99.99% of Ek-Chai Distribution System Co., Ltd.’s ordinary share, an operator of a retail business under the name Lotus’s in Thailand; and (b) 100.00% of Lotuss Stores (Malaysia) Sdn. Bhd.’s ordinary share which operates a retail business under the name Lotus’s in Malaysia. The business of Lotus’s Group is divided into two main groups which are the retail business and the business of leasing space in shopping malls. Lotus’s Group is a leading operator in the retail business of groceries and consumer products with multi-store formats comprising hypermarkets, supermarkets and mini-supermarkets, and operates the business of leasing space in shopping malls in Thailand and Malaysia.

Under the EBT Transaction, the subsidiary issued and allocated 5,010,323,500 new ordinary shares with a par value of Baht 0.50 per share at the offering price of Baht 43.50 per share, totaling Baht 217,949,072,250 as the consideration of the EBT Transaction from CPRH as payment in kind through the private placement offering.

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Upon the completion of the EBT Transaction, CPRH proceeded with dissolution and completed liquidation within the same fiscal year in order to be in accordance with the rules, procedures and conditions stipulated under the Revenue Department for the purpose of tax exemption for such transaction, as well as, allocated the issued ordinary shares of the subsidiary to the existing shareholders of CPRH i.e. (a) the Company, (b) CPH and (c) CPM, in proportion to their respective shareholding. CPRH allocated the issued ordinary shares of the subsidiary to the Company in the amount of 2,004,129,400 shares, totaling Baht 85,635 million, reducing the subsidiary's ownership interest from 93.08% to 65.97% whilst retaining control over the subsidiary as a result of the issuance and allocation of new ordinary shares of the subsidiary. The Group recognised an increase in non-controlling interests of Baht 135,066 million and surplus from changes in ownership interest in subsidiary of Baht 3,219 million.

As the EBT Transaction of CPRH in which the Company holds 40% part, the subsidiary accounts for business restructuring and acquisition of interests under common control. As a result, they have been accounted for using a method similar to pooling of interests method, to reflect the economic substances of the subsidiary in the Group which were under common control throughout the related period for the benefit of comparison, although the legal form of the relationship of the subsidiary and the CPRH was effective subsequently.

As the EBT Transaction of CPRH for the remaining 60% part, the subsidiary accounts for business combination achieved in stages ("step acquisition") pursuant to the provisions of Thai Financing Reporting Standards No. 3, *Business Combinations*, which requires, among other things, that the previously held equity interests in CPRH be remeasured to fair value at the date of business combination with any resulting gain or loss recognised in profit or loss and identifiable assets acquired and liabilities assumed in a business combination be recognised at their fair values as of the acquisition date.

The gain recognised as a result of remeasuring to fair value of the previously held equity interests is determined as follows:

	Consolidated financial statements <i>(in million Baht)</i>
Fair value of previously held equity interests	92,190
Carrying amount of previously held equity interests	85,476
Gain recognised as a result of remeasuring to fair value of the previously held equity interests	6,714

The Group engaged independent valuers to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of fair value at the date of business combination. At the report date, the independent valuers are still in the process of appraising the fair value of those; and the fair value appraisal has not yet been completed.

For the preparation of the financial statements for the year ended 31 December 2021, the Group has provisionally estimated the fair values of the identifiable assets acquired and liabilities assumed from the business combination by considering information in the latest draft appraisal report obtained from the independent valuers and recorded the difference between the consideration transferred and values of the assets and liabilities in the account "Goodwill" amounting to Baht 232,545 million.

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The principal factors that contributed to goodwill are that Lotus's Group is one of the leading player in retail market that is trusted by customers for their daily purchase with nationwide store network providing them with convenience regardless of their location with ability to operate retail business, experienced human resources in retail business, ability to generate revenue from various store formats and from store space management and innovation, ability to further expand business to neighbouring countries, capability of management, staff and technology that will help to accelerate overseas expansion as well as business sustainability. The overall components of Lotus's Group will contribute to the Group's capability to fulfill its Mission "To become the number 1 B2B and B2C retailer in Asia, combining both online and offline, by fulfilling our customers' daily needs with technology, innovation and operational excellence; together with people and partners in a sustainable way". Goodwill from the business combination will not qualify for any tax deduction.

Identifiable assets acquired and liabilities assumed

	Fair values (in million Baht)
CPRH	
Cash and cash equivalents	4
Other payables	(2)
CPRD	
Cash and cash equivalents	13,161
Current investments	5,975
Trade accounts receivable	1,284
Other current receivables	2,979
Inventories	14,478
Derivatives assets	583
Investment in associate	9,174
Investments in joint ventures	4,774
Investment properties	51,017
Property, plant and equipment	77,943
Right-of-use assets	26,028
Intangible assets other than goodwill	5,221
Deferred tax assets	2,157
Other non-current assets	1,054
Short-term borrowings from financial institutions	(28,220)
Trade accounts payable	(22,479)
Other payables	(13,427)
Current portion of lease liabilities	(1,907)
Income tax payable	(496)
Derivatives liabilities	(809)
Long-term borrowings from financial institutions	(100,093)
Lease liabilities	(36,982)
Provisions for employee benefits	(1,487)
Other non-current provisions	(2,166)
Rental deposits from tenants	(2,620)
Deferred tax liabilities	(6,447)
Other non-current liabilities	(767)
Total identifiable net assets received	(2,070)
Goodwill	232,545
Consideration transferred	230,475

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The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the date of business combination about facts and circumstances that existed at the date of business combination identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the date of business combination, then the business combination accounting will be revised.

Business combination-related costs

The Group had business combination-related costs, totaling Baht 197 million, which were recorded in the administrative expenses account in the consolidated statement of income for the year ended 31 December 2021.

Operations of new subsidiaries after business combination

In the preparation of the consolidated statement of income for the year ended 31 December 2021, the Group included the operation results of new subsidiaries for the period from 25 October 2021 to 31 December 2021. Significant details are as follows:

	For the period from 25 October 2021 to 31 December 2021 (in million Baht)
Total revenues	40,197
Profit for the period attributable to equity holders of the Company	238

If the business combination had occurred on 1 January 2021, management estimates that consolidated total revenues of the Group would have increased by Baht 166,390 million and consolidated profit attributable to equity holders would have increased by Baht 691 million. In determining these amounts, management has assumed that the fair value adjustments, including finance costs related transactions, determined provisionally, that arose on the date of business combination would have been the same if the business combination had occurred on 1 January 2021.

5 Related parties

Relationships with associate, joint ventures 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

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Name of parties	Country of incorporation/ nationality	Nature of relationships
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
CP Land Public Company Limited	Thailand	Company under CPG Group and 2 common directors
SM True Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
C.P. Consumer Products Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CP-Meiji Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CPF (Thailand) Public Company Limited	Thailand	Company under CPG Group and 1 common director
CPF IT Center Co., Ltd.	Thailand	Company under CPG Group and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group and 1 common director
Pokphand Enterprise 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
Wire & Wireless Co., Ltd.	Thailand	Company under CPG Group and four of family member of the Company's director are major shareholders
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
Chonburi Transportation Company Limited	Thailand	Company under CPG Group
CP B&F (Thailand) Company Limited	Thailand	Company under CPG Group
CP Sales & Service Company Limited	Thailand	Company under CPG Group

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Name of parties	Country of incorporation/ nationality	Nature of relationships
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
Pk Agro-industrial Product (MALAYSIA) Sdn. Bhd.	Malaysia	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 GS Co., Ltd.	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group
True United Football Club Co., Ltd.	Thailand	Company under CPG Group
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is major shareholders
Dynamic Transport Company Limited	Thailand	Chearavanont family is major shareholders
Dees Supreme Co., Ltd.	Thailand	Chearavanont family is major shareholders
Chef Cares Project Co., Ltd.	Thailand	One of family member of Chearavanont family is major shareholders
Key management personnel	Thai/ Foreigners	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
Interest income	Source of fund costs plus capital management expenses
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
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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Significant transactions with related parties for the year ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	5,053	1,603
Interest income	-	-	237	275
Dividend income	-	-	7,064	6,768
Other income	-	-	2,115	1,666
Distribution costs	-	-	1,649	1,742
Administrative expenses	-	-	4,918	3,037
Finance costs	-	-	21	26
Purchases of goods and services	-	-	25,417	26,098
Purchases of property, plant and equipment and intangible assets other than goodwill	-	-	2,785	3,764
Associate				
Revenue from sale of goods and rendering of services	104	-	-	-
Dividend income	81	-	-	-
Other income	1	-	-	-
Distribution costs	116	-	-	-
Administrative expenses	2	-	1	-
Finance costs	32	-	-	-
Purchases of goods and services	38	-	-	-
Joint ventures				
Revenue from sale of goods and rendering of services	10	-	-	-
Other income	9	-	-	-
Distribution costs	24	-	-	-
Administrative expenses	1	-	-	-
Purchases of goods and services	1	-	-	-
Other related companies				
Revenue from sale of goods and rendering of services	2,557	1,804	416	430
Gain from sale of investment in subsidiary	1,317	-	1,440	-
Other income	1,160	1,703	1,104	1,668
Distribution costs	360	193	-	-
Administrative expenses	1,460	1,151	1,151	845
Finance costs	8	8	-	-
Purchases of goods and services	51,601	66,034	29,826	46,990
Purchases of property, plant and equipment and intangible assets other than goodwill	173	23	139	

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<i>Significant transactions with related parties for the year ended 31 December (Continued)</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	759	729	494	486
Severance pay for employees	10	11	2	3
Total key management benefit expenses	769	740	496	489

Balances as at 31 December 2021 and 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Trade accounts receivable</i>				
Associate	12	-	-	-
Joint ventures	2	-	-	-
Other related companies	631	237	-	-
Total	645	237	-	-
Less allowance for expected credit loss	-	-	-	-
Net	645	237	-	-
Expected credit losses for the year	-	-	-	-
<i>Other current receivables</i>				
Subsidiaries	-	-	2,295	1,312
Associate	26	-	-	-
Joint ventures	21	-	-	-
Other related companies	2,278	478	2,154	369
Total	2,325	478	4,449	1,681
Less allowance for expected credit loss	-	-	-	-
Net	2,325	478	4,449	1,681
Expected credit losses for the year	-	-	-	-

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Short-term loans to subsidiaries

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Separate financial statements	
	2021	2020
	<i>(in million Baht)</i>	
At 1 January	5,500	6,117
Increases	3,800	233
Decreases	(1,770)	(850)
Unrealised gain on exchange	125	-
Total	7,655	5,500
Less allowance for expected credit loss	-	-
At 31 December	7,655	5,500
Interest rate at 31 December (% per annum)	1.50 - 3.00	4.75
Expected credit losses for the year	-	-

As at 31 December 2021 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Investments in related companies</i>				
True GS Co., Ltd.	199	34	199	34
ALL Now Management Co., Ltd.	494	-	260	-
Egg Digital Co., Ltd.	128	-	67	-
Total	821	34	526	34
<i>Other non-current assets</i>				
Subsidiaries	-	-	3	207
Other related companies	2	10	-	-
Total	2	10	3	207
<i>Trade accounts payable</i>				
Subsidiaries	-	-	2,505	2,628
Joint ventures	20	-	-	-
Other related companies	9,491	6,406	3,524	3,545
Total	9,511	6,406	6,029	6,173
<i>Other payables</i>				
Subsidiaries	-	-	7,131	8,066
Other related companies	775	247	134	36
Total	775	247	7,265	8,102

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Short-term borrowings from subsidiary

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Separate financial statements	
	2021	2020
	<i>(in million Baht)</i>	
At 1 January	-	700
Increases	1,400	300
Decreases	-	(1,000)
At 31 December	1,400	-
Interest rate at 31 December (% per annum)	3.00	4.50

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Lease liabilities</i>				
Associate	6,758	-	-	-
Joint ventures	21	-	-	-
Other related companies	581	271	-	-
Total	7,360	271	-	-
<i>Rental deposits from tenants</i>				
Other related companies	7	7	-	-
Total	7	7	-	-

Significant agreements with related parties

As at 31 December 2021 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 2022. 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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- (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 10.7 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 2024.
- (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 2022. 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 5 years, and will expire on various dates until December 2026.

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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 January 2025.
- (l) A local subsidiary (Siam Makro Public Company Limited) entered into commitments as guarantor under new facilities agreement of, a local subsidiary, C.P. Retail Development Company Limited due to the refinancing transaction with financial institutions covering the borrowing amounting to Baht 9,500 million and United States Dollars 570 million.
- (m) A local indirect subsidiary (EK-Chai Distribution System Co., Ltd.) and a foreign indirect subsidiary (Lotuss Stores (Malaysia) Sdn. Bhd.) have service agreements with Charoen Pokphand Group Company Limited, a shareholder of the company (“the party”). Under the terms of these agreements, the subsidiaries obtain the right to use of trademark and services under conditions stipulated in the agreements. In consideration thereof, the subsidiaries are committed to pay to the party fees calculated as a percentage of their sales as stipulated in the agreements. These agreements are effective for a period of 2 years and will expire in December 2023.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Cash on hand	14,891	10,782	9,282	9,093
Cash at financial institutions				
- current accounts	8,330	6,275	3,713	4,971
Cash at financial institutions				
- savings accounts	68,712	23,093	6,462	7,514
Highly liquid short-term investments	415	439	-	-
Total	92,348	40,589	19,457	21,578

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Cash at financial institutions				
- time deposits	3,977	37	-	-
Debt instruments for trading	809	-	-	-
Total	4,786	37	-	-

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Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in million Baht)</i>			
At 1 January		37	659	-	-
Increases		809	110	-	-
Acquisition through business combination	4	5,975	-	-	-
Decreases		(2,036)	(731)	-	-
Exchange differences on translating financial statements		1	(1)	-	-
At 31 December		4,786	37	-	-

8 Trade accounts receivable and other current receivables

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in million Baht)</i>			
Trade accounts receivable					
Related parties					
Within credit terms		467	199	-	-
Overdue:					
Less than 3 months		148	28	-	-
3 - 6 months		16	3	-	-
6 - 12 months		5	4	-	-
Over 12 months		9	3	-	-
Total		645	237	-	-
Less allowance for expected credit loss		-	-	-	-
Net	5	645	237	-	-
Other parties					
Within credit terms		1,801	1,091	162	252
Overdue:					
Less than 3 months		828	299	-	-
3 - 6 months		160	35	-	-
6 - 12 months		97	39	-	-
Over 12 months		208	38	-	-
Total		3,094	1,502	162	252
Less allowance for expected credit loss		(398)	(89)	-	-
Net		2,696	1,413	162	252
Grand total		3,341	1,650	162	252

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<i>Other current receivables</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in million Baht)</i>			
<i>Related parties</i>					
Within credit terms		2,021	168	4,190	1,486
Overdue:					
Less than 3 months		275	278	184	175
3 - 6 months		17	15	63	20
6 - 12 months		11	3	11	-
Over 12 months		1	14	1	-
Total		2,325	478	4,449	1,681
Less allowance for expected credit loss		-	-	-	-
Net	5	2,325	478	4,449	1,681
<i>Other parties</i>					
Within credit terms		10,332	5,840	3,523	2,766
Overdue:					
Less than 3 months		928	850	800	816
3 - 6 months		105	5	9	2
6 - 12 months		64	12	3	7
Over 12 months		81	29	18	10
Total		11,510	6,736	4,353	3,601
Less allowance for expected credit loss		(90)	(36)	(19)	(18)
Net		11,420	6,700	4,334	3,583
Grand Total		13,745	7,178	8,783	5,264
<i>Allowance for expected credit loss</i>		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
At 1 January		125	79	18	15
Addition		36	64	2	6
Acquisition through business combination		355	-	-	-
Reversal		(67)	(5)	-	-
Write-off		(16)	(12)	(1)	(3)
Exchange differences on translating financial statements		55	(1)	-	-
At 31 December		488	125	19	18

Information of credit risk is disclosed in note 34(b.1) to the financial statements.

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Finished goods	51,623	31,242	16,536	15,327
Work in progress	130	93	-	-
Raw materials	667	614	-	-
Goods in transit	641	335	-	-
Total	53,061	32,284	16,536	15,327
Less allowance for losses on decline in value of inventories	(2,526)	(535)	(220)	(220)
Net	50,535	31,749	16,316	15,107

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	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Cost of inventories	436,257	407,282	210,765	216,923
Allowance for losses on decline in value of inventories	1,991	113	-	54
Total	438,248	407,395	210,765	216,977

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 2021 amounted to Baht 2,341 million (2020: Baht 2,662 million) in the consolidated financial statements, and Baht 2,331 million (2020: Baht 2,644 million) in the separate financial statements.

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10 Investments in associate and joint ventures

Movements of investment in associate during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
At 1 January		85,552	-	85,635	-
Decrease		(85,476)	-	(85,635)	-
Acquisition through business combination	4	9,174	-	-	-
Increase		-	80,936	-	80,936
Change in ownership interest in associate		(66)	-	-	-
Transferred in from cash flow hedges reserve		-	4,699	-	4,699
Less Share of loss of investment accounted for using equity method		(328)	(64)	-	-
Add (Less) Share of other comprehensive income of investment accounted for using equity method		364	(19)	-	-
Less Dividend income		(81)	-	-	-
At 31 December		9,139	85,552	-	85,635

Movement of investments in joint ventures during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
At 1 January		-	-	-	-
Acquisition through business combination	4	4,774	-	-	-
Add Share of profit of investment accounted for using equity method		102	-	-	-
At 31 December		4,876	-	-	-

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Detail of changes in investments in associate and joint ventures during the years ended 31 December 2021 and 2020 were as follow:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Decrease and increase				
Associate				
- C.P. Retail Holding Company Limited	(85,476)	80,936	(85,635)	80,936
Total	(85,476)	80,936	(85,635)	80,936
Acquisition through business combination				
Associate				
- Lotus's Retail Growth Freehold and Leasehold Property Fund	9,174	-	-	-
Total	9,174	-	-	-
Joint ventures				
- Lotus's Money Services Limited	3,949	-	-	-
- Synergistic Property Development Co., Ltd.	319	-	-	-
- Retail Properties Co., Ltd.	506	-	-	-
Total	4,774	-	-	-

Increase and decrease in investment during the year

During the first quarter of 2020, the Company invested in C.P. Retail Holding Company Limited ("CPRH") which is a special purpose vehicle incorporated in Thailand on 6 March 2020 for the purpose of investing in retail business. CPRH had an authorised share capital of Baht 199,480 million 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 (1) Tesco Stores (Thailand) Company Limited (Subsequently known as "Lotus's Stores (Thailand) Co., Ltd.") holding 99.99% of shares in Ek-Chai Distribution System Co., Ltd. which operates retail business under Lotus's brand in Thailand and (2) Tesco Stores (Malaysia) Sdn. Bhd. (Subsequently known as "Lotus's Stores (Malaysia) Sdn. Bhd.") which operates retail business under Lotus's brand in Malaysia (together referred to as the "Lotus's Group"). Lotus's Group was an indirect associate of the Group. The buyer entered into a sale and purchase agreement dated 9 March 2020 with Tesco Holding Limited and Tesco Holdings B.V.. The Lotus's Group indirect investment transaction was completed on 18 December 2020. The purchase price allocation is a judgemental exercise to determine the fair value of identifiable assets acquired and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill.

During 2020, the Company's investment in CPRH was Baht 79,792 million, paid in cash equally to 40% in paid-up share capital, and the investment transaction was completed within the same fiscal year. 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 part of investment in associate. The company's investment in CPRH was totally of Baht 85,635 million as at 31 December 2020.

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During the first quarter of 2021, the buyer acquired preferred shares from non-controlling interests totaling 739,997 shares of Baht 172 million in cash, increasing the buyer's shareholding ratio in Lotus's Stores (Thailand) Co., Ltd. to 99.99% of total issued and paid-up shares. The buyer recognised a decrease in non-controlling interests of Baht 7 million and deficit from change in ownership interest in subsidiary of Baht 165 million. The Group then recognised deficit from change in ownership interest in associate of Baht 66 million.

During the third quarter of 2021, the group completed purchase price allocation in October 2021, resulting in the according of goodwill of Baht 80,372 million which was recorded as a part of investment in associate accounted for using the equity method in the consolidated statement of financial position. However, on 25 October 2021, a local subsidiary (Siam Makro Public Company Limited) completed the transfer of the entire business ("EBT Transaction") of CPRH and CPRH proceeded with dissolution and completed liquidation within the same fiscal year, resulting in no investment in associate as at 31 December 2021. The details of EBT Transaction and other related transactions are disclosed in note 4 to the financial statements.

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Investments in associate and joint ventures as at 31 December 2021 and 2020, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Consolidated financial statements									
		Ownership interest		Paid-up capital		At cost		Equity		Dividend income	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(in million Baht)									
<i>Associate</i>											
C.P. Retail Holding Company Limited*	Holding company	-	40.00	-	199,480	-	85,635	-	85,552	-	-
<i>Indirect associate</i>											
Lotus's Retail Growth Freehold and Leasehold Property Fund	Real estate rental	14.98	-	23,828	-	6,373	-	9,319	-	81	-
Total						6,373	85,635	9,319	85,552	81	-
<i>Indirect joint ventures</i>											
Lotus's Money Services Limited	Credit card services	29.95	-	2,080	-	1,040	-	4,053	-	-	-
Synergistic Property Development Co., Ltd.	Property development	29.95	-	465	-	256	-	319	-	-	-
Retail Properties Co., Ltd.	Mall rental services and related utilities services	29.95	-	210	-	248	-	504	-	-	-
Total						1,544	-	4,876	-	-	-

*The company was liquidated on 25 October 2021.

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Name of party	Ownership interest		Paid-up capital		At cost		Impairment		At cost - net		Dividend income for the year	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)						(in million Baht)					
<i>Associate</i>												
C.P. Retail Holding	-	40.00	-	199,480	-	85,635	-	-	-	85,635	-	-
Company Limited*												
Total						85,635				85,635		

All associate and joint ventures were incorporated and operate in Thailand.

Lotus's Retail Growth Freehold and Leasehold Property Fund ("TLGF") was indirect associate in which 25.00% of the total issued and paid-up shares capital were held by a local subsidiary (Siam Makro Public Company Limited), a 59.92% directly and indirectly owned subsidiary by the Company as at 31 December 2021. Thus, the Group accounted for its investment in TLGF using the equity method based on 14.98% shareholding in the consolidated financial statements. TLGF is listed in the Stock Exchange of Thailand. The fair value of investment as at 31 December 2021 totaled Baht 8,823 million.

*The company was liquidated on 25 October 2021.

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

Immaterial associate and joint ventures

The following table summarises the financial information of the Group's interests in immaterial associate and joint ventures based on the amounts reported in the Group's consolidated financial statements.

	Immaterial associate		Immaterial joint ventures	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Carrying amount of interests in immaterial associate and joint ventures	9,139	85,552	4,876	-
Group's share of:				
- (Loss) profit from continuing operations	(328)	(64)	102	-
- Other comprehensive income	364	(19)	-	-
- Total comprehensive income	36	(83)	102	-

11 Investments in subsidiaries

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 1 January	-	-	201,010	199,527
Increases	-	-	86,818	1,483
Decreases	-	-	(6,471)	-
At 31 December	-	-	281,357	201,010

Details of the net increases and decreases in investments in subsidiaries during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Siam Makro Public Company Limited	-	-	80,164	-
Albuera International Limited	-	-	185	125
ALL Now Management Co., Ltd.	-	-	(2)	-
All Corporation Limited	-	-	-	200
ALL Wellness Co., Ltd.	-	-	-	175
Lotus Distribution Investment Limited	-	-	-	983
Total	-	-	80,347	1,483

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Siam Makro Public Company Limited

Change in interest in a subsidiary without a change of control

According to the entire business transfer transaction on 25 October 2021 as disclosed in note 4 to the financial statements, a local subsidiary (Siam Makro Public Company Limited) issued and allocated new ordinary shares to the Company. The carrying amount of previously held equity interests was Baht 85,635 million, reducing its direct and indirect ownership interest from 93.08% to 65.97% whilst retaining control over the subsidiary. The group recognised an increase in non-controlling interests of Baht 135,066 million and surplus from changes in ownership interest in subsidiary of Baht 3,219 million.

On 22 December 2021, the Company had partial disposal 1.34% of total issued and paid-up ordinary shares of the subsidiary at the price of Baht 43.50 per share, totaling Baht 5,742 million in cash, reducing its direct and indirect ownership interest from 65.97% to 64.63% whilst retaining control over the subsidiary. The group recognised an increase in non-controlling interests of Baht 5,904 million and deficit from changes in ownership interest in subsidiary of Baht 412 million, net of disposal cost of Baht 217 million and income tax expense of Baht 32 million. The Company had the gain on sale of investment in the separate financial statements of totaling Baht 271 million.

On 24 December 2021, the subsidiary increased its authorised share capital of 770 million shares with a par value of Baht 0.50 each at the offering price of Baht 43.50 per share, totaling Baht 33,495 million for public offering. The registration of the increased authorised share capital with the Ministry of Commerce and the additional paid-up share capital were completed in December 2021, reducing its direct and indirect ownership interest from 64.63% to 59.92% whilst retaining control over the subsidiary. The group recognised an increase in non-controlling interests of Baht 34,062 million and deficit from change in ownership interest in subsidiary of Baht 1,056 million.

Albuera International Limited

Additional investment

During the first quarter of 2021, a foreign subsidiary (Albuera International Limited) collected from the called for additional paid-up share capital of United States Dollars 6 million; from United States Dollar 4 million to United States Dollars 10 million.

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 Now Management Co., Ltd. ("ANM")

Loss in control over a subsidiary

During the fourth quarter of 2021, ANM increased its authorised share capital and collected from the called for additional paid-up share capital of Baht 998 million; from Baht 2 million to Baht 1,000 million and the Company had partial disposal 90% of total issued and paid-up shares of ANM of 90 million shares at the price of Baht 26 per share, totaling Baht 2,340 million to related companies; Chonburi Transportation Company Limited (52%), CPF Trading Co., Ltd. (19%), Telecom Holding Co., Ltd. (10%), and Ek-Chai Distribution System Co., Ltd. (9%), as a result, ANM changed its status from a subsidiary to a related company of the Company. The Group lost control over ANM, which remained 10% of total issued and paid-up share capital as "investment in related company" measured at fair value through other comprehensive income.

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The carrying amount of equity interest in ANM in the Group's consolidated financial statements and in the separate financial statements on the date of transaction was Baht 1,023 million and Baht 900 million, respectively. In this regard, the fair value of the Group's retained interest in ANM was Baht 2,340 million based on the independent appraisal report. The Group recognised a gain on loss of control in a subsidiary from derecognition the assets and liabilities of totaling Baht 1,317 million and gain from sale of investment in subsidiary in the separate financial statements of totaling Baht 1,440 million.

All Corporation Limited

Additional investment

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.

Disposal of investment

During the third quarter of 2021, a local direct subsidiary (All Corporation Limited) disposed 99.99% of total issued and paid-up ordinary shares of a local indirect subsidiary (ALL NOW LOGISTICS CO., LTD.) for 99,997 shares at the price of Baht 261 per share, totaling Baht 26.10 million to a local direct subsidiary (ALL Now Management Co., Ltd.).

ALL Wellness Co., Ltd.

Additional investment

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

Additional investment

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.

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Investments in subsidiaries as at 31 December 2021 and 2020, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of operation	Ownership interests		Separate financial statements				Dividend income for the year	
			2021	2020	Paid-up capital		At cost		2021	2020
			(%)		2021	2020	2021	2020	(in million Baht)	
<i>Local direct subsidiaries</i>										
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	159	120
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	1,089	1,100
All Corporation Limited	Holding company	Thailand	99.99	99.99	250	250	250	250	-	-
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	540	405
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	400	300
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	130	246

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Name of parties	Type of business	Country of operation	Ownership interests		Separate financial statement <i>(Continued)</i>				Dividend income for the year	
			2021	2020	Paid-up capital		At cost		2021	2020
			(%)		2021	2020	2021	2020	2021	2020
					<i>(in million Baht)</i>					
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	1,345	1,299
ALL Now Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	-	99.99	-	2	-	2	130	100
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	100	150
ALL Wellness Co., Ltd.	Digital innovation healthcare services and consultation by medical specialists	Thailand	99.99	99.99	176	176	176	176	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	20	15
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	30	30
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	1,293	1,248
Siam Makro Public Company Limited	Cash and carry	Thailand	34.97	38.07	5,290	2,400	153,367	73,203	1,828	1,755
Total							270,550	190,388	7,064	6,768

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Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital		At cost		Dividend income for the year	
			2021	2020	2021	2020	2021	2020	2021	2020
			(%)		(in million United States Dollars)		(in million Baht)			
<i>Foreign direct subsidiaries</i>										
Lotus Distribution	Holding company	British Virgin Islands	100.00	100.00	310	310	10,497	10,497	-	-
Investment Limited										
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	10	4	310	125	-	-
Total							10,807	10,622	-	-
Grand total							281,357	201,010	7,064	6,768

For the year ended 31 December 2021

Name of parties	Type of business	Country of operation	Ownership interests 2021	2020 (%)
<i>Local indirect subsidiaries</i>				
<i>- Investment through ALL Now Management Co., Ltd.</i>				
ALL NOW LOGISTICS CO., LTD.	Parcel and express delivery services	Thailand	-	99.99
<i>- Investment through All Corporation Limited</i>				
CP Foodlab Co., Ltd.	Research and development service, and microbiologic and scientific laboratory services	Thailand	99.99	99.99
ALL GUARDIAN CO., LTD.	Health and beauty products retailer	Thailand	64.99	64.99
<i>- Investment through Suksapiwat Co., Ltd.</i>				
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
<i>- Investment through Siam Makro Public Company Limited</i>				
Makro ROH Co., Ltd.	Providing technical and supporting services to the Group	Thailand	59.91	93.07
ProMart Co., Ltd.	Trading of non-food products	Thailand	59.91	93.07

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Name of parties	Type of business	Country of operation	Ownership interests 2021 2020 (%)	
Local indirect subsidiaries (continued)				
- Investment through Siam Makro Public Company Limited (continued)				
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and Providing freight, delivery rental and storage services	Thailand	59.91	93.07
C.P. Retail Development Company Limited	Retail business and mall rental	Thailand	59.91	-
Lotus’s Stores (Thailand) Co., Ltd.	Retail business	Thailand	59.90	-
Ek-Chai Distribution System Co., Ltd.	Retail business and related business	Thailand	59.90	-
Lotus’s Mobile (Thailand) Co., Ltd.	Telecommunication business	Thailand	59.89	-
- Investment through OHT Co., Ltd.				
Siam Makro Holding (Thailand) Limited	Holding company	Thailand	50.99	50.99
Siam Makro Public Company Limited	Cash and carry	Thailand	24.95	55.01
Foreign indirect subsidiaries				
- Investment through Albuera International Limited				
CP ALL (CAMBODIA) CO., LTD.	Convenience stores	Cambodia	100.00	100.00
CP ALL LAOS COMPANY LIMITED	Convenience stores	Laos	99.99	99.99
- Investment through Lotus Distribution Investment Limited				
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

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Name of parties	Type of business	Country of operation	Ownership interests	
			2021	2020
				(%)
<i>Foreign indirect subsidiaries (continued)</i>				
<i>- Investment through Lotus Distribution Investment Limited (continued)</i>				
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
<i>- Investment through All Corporation Limited</i>				
ALL CONVENIENCE LOGISTIC CO., LTD.	Logistics and distribution of merchandises services	Cambodia	99.99	99.99
<i>- Investment through Siam Makro Public Company Limited</i>				
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	59.92	93.08
ARO Commercial Company Limited	Wholesale and retail operator and related business	Republic of the Union of Myanmar	59.91	93.07
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	59.91	93.07
Indoguna (Cambodia) Company Limited*	Importing and trading of food related products	Cambodia	59.91	93.07
CP Wholesale India Private Limited	Wholesale and related business	India	59.90	93.06
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	59.90	93.06

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Name of parties	Type of business	Country of operation	Ownership interests	
			2021	2020
(%)				
Foreign indirect subsidiaries (continued)				
- Investment through Siam Makro Public Company Limited (continued)				
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	59.90	93.06
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	47.93	74.46
Indoguna Dubai L.L.C**	Importing and trading of food related products	United Arab Emirates	47.93	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	47.93	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	47.93	74.46
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C**	Restaurant and minimart	United Arab Emirates	47.93	74.46
Makro (Cambodia) Company Limited	Wholesale and retail operator and related business	Cambodia	41.94	65.15
Lotuss Stores (Malaysia) Sdn. Bhd.	Retail business and related business	Malaysia	59.91	-

* 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 47.93% after taking account of nominee holdings. (2020: 74.46%)

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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 2021		
	Siam Makro Public Company Limited	ALL GUARDIAN CO., LTD. <i>(in million Baht)</i>	Total
Non-controlling interests percentages	40.08	35.01	
Current assets	110,000	254	
Non-current assets	459,490	17	
Current liabilities	(118,211)	(67)	
Non-current liabilities	(162,781)	(1)	
Net assets	288,498	203	
Carrying amount of non-controlling interests	188,602*	71	188,673
Revenue	273,149	163	
Profit (loss)	13,673	(97)	
Other comprehensive income	145	-	
Total comprehensive income (loss)	13,818	(97)	
Loss allocated to non-controlling interests	(899)*	(34)	(933)
Other comprehensive income allocated to non-controlling interests	67*	-	67
Cash flows from operating activities	16,774	(184)	
Cash flows from investing activities	10,991	(16)	
Cash flows from financing activities	26,787	-	
Dividends paid to non-controlling interests	(332)	-	
Exchange differences on translating financial statements	(149)	-	
Net increase (decrease) in cash and cash equivalents	54,071	(200)	

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For the year ended 31 December 2021

	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	(40,447)	(112)	
Non-current liabilities	(10,877)	-	
Net assets	22,710	300	
Carrying amount of non-controlling interests	14,731*	105	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	400*	-	400
Other comprehensive income allocated to non-controlling interests	1*	-	1
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	

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

13 Investment properties

Consolidated financial statements					
	Note	Land	Buildings	Right-of-use assets	Total
		(in million Baht)			
Cost					
At 1 January 2020		348	-	-	348
At 31 December 2020 and 1 January 2021		348	-	-	348
Additions		10	56	-	66
Acquisition through business combination	4	16,812	25,955	8,250	51,017
Reclassification		(1,535)	(3,937)	-	(5,472)
Disposals and write-off		-	(23)	(1)	(24)
Lease modification		-	-	330	330
Exchange differences on translating financial statements		(14)	(11)	(4)	(29)
At 31 December 2021		15,621	22,040	8,575	46,236
Accumulated depreciation and accumulated impairment losses					
At 1 January 2020		(15)	-	-	(15)
At 31 December 2020 and 1 January 2021		(15)	-	-	(15)
Depreciation charge for the year		(7)	(654)	(88)	(749)
Reversal of impairment losses		-	1	-	1
Disposals and write-off		-	18	1	19
Exchange differences on translating financial statements		(1)	(2)	-	(3)
At 31 December 2021		(23)	(637)	(87)	(747)
Net book value					
At 1 January 2020		333	-	-	333
At 31 December 2020 and 1 January 2021		333	-	-	333
At 31 December 2021		15,598	21,403	8,488	45,489

The gross amount of the Group's fully depreciated investment properties that were still in use as at 31 December 2021 amounted to Baht 1,184 million in the consolidated financial statements.

CP ALL Public Company Limited and its Subsidiaries
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14 Property, plant and equipment

Consolidated financial statements									
	Note	Land	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	Total	
Cost									
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	
- as previously reported	38	-	(1,321)	9,799	(9,203)	(22)	725	(22)	
Reclassification*									
At 1 January 2021		43,219	60,052	58,437	11,219	8,443	11,048	192,418	
Additions		111	1,138	4,558	4,459	9,629	293	20,188	
Acquisition through business combination	4	22,191	40,957	-	13,023	1,587	185	77,943	
Transfers		-	9,840	756	160	(11,876)	1,120	-	
Reclassification		1,535	3,937	-	-	-	-	5,472	
Disposals		-	(730)	(1,811)	(1,906)	(7)	(147)	(4,601)	
Exchange differences on translating financial statements		(15)	(196)	93	36	632	17	567	
At 31 December 2021		67,041	114,998	62,033	26,991	8,408	12,516	291,987	

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Consolidated financial statements (Continued)						
	<i>Note</i>	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Total
<i>Accumulated depreciation and accumulated impairment losses</i>						
At 1 January 2020	-	(19,536)	(27,650)	(11,786)	-	(64,274)
Depreciation charge for the year	-	(2,676)	(4,696)	(2,589)	(5,302)	(10,892)
Impairment losses, net	-	(3)	2	1	-	-
Disposals	-	304	1,079	1,466	107	2,956
Exchange differences on translating financial statements	-	(23)	(3)	(5)	-	(31)
At 31 December 2020		(21,934)	(31,268)	(12,913)	(6,126)	(72,241)
- as previously reported	38	436	(6,425)	5,960	29	-
Reclassification*						
At 1 January 2021		(21,498)	(37,693)	(6,953)	(6,097)	(72,241)
Depreciation charge for the year	-	(3,049)	(5,991)	(2,315)	(1,031)	(12,386)
Impairment losses, net	-	(89)	(1)	10	-	(80)
Disposals	-	415	1,674	1,792	126	4,007
Exchange differences on translating financial statements	-	321	(45)	(23)	(7)	246
At 31 December 2021	-	(23,900)	(42,056)	(7,489)	(7,009)	(80,454)

CP ALL Public Company Limited and its Subsidiaries
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Consolidated financial statements (Continued)						
	<i>Note</i>	Land	Buildings, building improvements and right-of-use asset improvements	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 2020		43,171	36,671	15,937	7,749	8,118
At 31 December 2020						3,915
- as previously reported		43,219	39,439	17,370	7,509	8,465
At 1 January 2021		43,219	38,554	20,744	4,266	8,443
At 31 December 2021		67,041	91,098	19,977	19,502	8,408

Security

As at 31 December 2021, the Group's property, plant and equipment with total net book value of Baht 14,756 million (2020: Baht 3 million) were pledged under long-term borrowings from financial institution.

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

Notes to the financial statements

Separate financial statements

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CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

		Separate financial statements (Continued)					
	<i>Note</i>	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	Total
<i>Accumulated depreciation and accumulated impairment losses</i>							
At 1 January 2020		(10,196)	(10,931)	(11,151)	-	(4,604)	(36,882)
Depreciation charge for the year		(1,596)	(2,011)	(2,362)	-	(786)	(6,755)
Disposals		267	676	1,156	-	86	2,185
At 31 December 2020							
- as previously reported		(11,525)	(12,266)	(12,357)	-	(5,304)	(41,452)
Reclassification*	38	-	(6,144)	5,694	-	450	-
At 1 January 2021							
Depreciation charge for the year		(11,525)	(18,410)	(6,663)	-	(4,854)	(41,452)
Disposals		(1,730)	(3,349)	(1,287)	-	(800)	(7,166)
		238	1,057	477	-	85	1,857
At 31 December 2021		(13,017)	(20,702)	(7,473)	-	(5,569)	(46,761)

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

		Separate financial statements (Continued)				
	<i>Note</i>	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Total
<i>Net book value</i>						
At 1 January 2020		4,091	4,883	5,964	1,941	35,096
At 31 December 2020						
- as previously reported		4,138	6,263	6,286	2,153	39,069
At 1 January 2021		4,138	9,529	3,143	2,131	39,047
At 31 December 2021		4,162	9,518	3,128	980	40,782

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 2021 amounted to Baht 55,495 million (2020: Baht 28,884 million) in the consolidated financial statements and Baht 21,754 million (2020: Baht 16,493 million) in the separate financial statements respectively.

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

15 Right-of-use assets

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CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Consolidated financial statements (Continued)						
	<i>Note</i>	Land	Buildings	Machinery and equipment <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles
						Total
Accumulated depreciation						
At 1 January 2020		-	-	-	-	-
Depreciation charge for the year*		(1,902)	(7,115)	(191)	(21)	(111)
Disposals		34	197	11	10	15
Exchange differences on translating financial statements		(3)	1	-	-	-
At 31 December 2020						(2)
- as previously reported		(1,871)	(6,917)	(180)	(11)	(96)
Reclassification**		(237)	(30)	-	-	-
At 1 January 2021		(2,108)	(6,947)	(180)	(11)	(96)
Depreciation charge for the year		(2,580)	(7,486)	(209)	(24)	(162)
Impairment losses		(36)	(44)	-	-	-
Disposals		213	1,848	58	1	47
Lease modification		-	(13)	-	-	-
Exchange differences on translating financial statements		(17)	(17)	(1)	-	(2)
At 31 December 2021		(4,528)	(12,659)	(332)	(34)	(213)
						(17,766)

CP ALL Public Company Limited and its Subsidiaries
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Consolidated financial statements <i>(Continued)</i>							
	<i>Note</i>	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
					<i>(in million Baht)</i>		
<i>Net book value</i>							
At 1 January 2020		18,179	31,122	927	46	189	50,463
At 31 December 2020							
- as previously reported		20,654	30,637	1,235	47	326	52,899
At 1 January 2021		20,654	30,637	1,235	47	326	52,899
At 31 December 2021		34,216	40,057	1,749	517	727	77,266

*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.

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements			
	Land	Building	Machinery and equipment	Total
	(in million Baht)			
Cost				
At 1 January 2020	10,481	28,188	-	38,669
Additions	4,400	8,224	-	12,624
Disposals	(428)	(1,932)	-	(2,360)
At 31 December 2020				
- as previously reported	14,453	34,480	-	48,933
Reclassification**	237	30	-	267
At 1 January 2021	14,690	34,510	-	49,200
Additions	3,133	5,584	157	8,874
Disposals	(1,062)	(3,205)	-	(4,267)
At 31 December 2021	16,761	36,889	157	53,807
Accumulated depreciation				
At 1 January 2020	-	-	-	-
Depreciation charge for the year*	(1,528)	(6,617)	-	(8,145)
Disposals	34	189	-	223
At 31 December 2020				
- as previously reported	(1,494)	(6,428)	-	(7,922)
Reclassification**	(237)	(30)	-	(267)
At 1 January 2021	(1,731)	(6,458)	-	(8,189)
Depreciation charge for the year	(1,930)	(6,748)	(3)	(8,681)
Disposals	205	1,585	-	1,790
At 31 December 2021	(3,456)	(11,621)	(3)	(15,080)
Net book value				
At 1 January 2020	10,481	28,188	-	38,669
At 31 December 2020				
- as previously reported	12,959	28,052	-	41,011
At 1 January 2021	12,959	28,052	-	41,011
At 31 December 2021	13,305	25,268	154	38,727

*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

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

16 Goodwill

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
At 31 December					
Cost		128,096	128,096	-	-
Acquisition through business combination	4	232,545	-	-	-
Less impairment loss		-	-	-	-
Net book value		360,641	128,096	-	-

Most of the Goodwill arose from (1) Siam Makro Public Company Limited completed the entire business transfer transaction of C.P. Retail Holding Company Limited (“CPRH”), (2) the Company’s purchase of shares of Siam Makro Public Company Limited both directly and indirectly, and (3) 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	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
C.P. Retail Development Company Limited and its subsidiaries (“Lotus’s Group”)*	232,545	-	-	-
Siam Makro Public Company Limited	125,936	125,936	-	-
Indoguna Group of companies	2,023	2,023	-	-
Other	137	137	-	-
Total	360,641	128,096	-	-

*The Group is currently assessing the allocation of Lotus’s Group’s goodwill because it is still during the measurement period.

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 (1) Lotus’s Group (2) Siam Makro Public Company Limited and (3) Indoguna Group of companies.

CP ALL Public Company Limited and its Subsidiaries

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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 (1) Lotus's Group (2) Siam Makro Public Company Limited and (3) 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 and Lotus's Group including sale and mall rental growth of new stores and growth of existing stores of Lotus's Group. 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 revenue growth rate, which in 2021 if discount rate increases by 2.5% and 2.0% (2020: 0.4% and 3.0%) or terminal value growth rate decreases by 5.3% and 3.0% (2020: 0.7% and 6.0%) or budgeted revenue growth rate decreases by 5.8% and 5.0% (2020: 1.2% and 6.0%) could cause the recoverable amount of Siam Makro Public Company Limited and Indoguna Group of companies, respectively to be equal to the carrying amount.

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

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
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17 Intangible assets other than goodwill

Consolidated financial statements					
	Note	Computer software in use and under development	Intellectual property (in million Baht)	Other	Total
Cost					
At 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 and 1 January 2021		8,000	46,521	2,199	56,720
Additions		2,286	-	1	2,287
Acquisition through business combination	4	4,143	-	1,078	5,221
Transfers		(2)	-	2	-
Disposals		(295)	-	-	(295)
Exchange differences on translating financial statements		28	-	134	162
At 31 December 2021		14,160	46,521	3,414	64,095
Accumulated amortisation and accumulated impairment losses					
At 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 and 1 January 2021		(3,851)	-	(1,163)	(5,014)
Amortisation charge for the year		(863)	-	(28)	(891)
Impairment losses, net		8	(7,167)*	-	(7,159)
Disposals		87	-	-	87
Exchange differences on translating financial statements		(3)	-	-	(3)
At 31 December 2021		(4,622)	(7,167)	(1,191)	(12,980)
Net book value					
At 1 January 2020		3,837	46,521	1,026	51,384
At 31 December 2020 and 1 January 2021		4,149	46,521	1,036	51,706
At 31 December 2021		9,538	39,354	2,223	51,115

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* Impairment testing for intellectual property

The recoverable amount of intellectual property was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations. The key assumptions used in the estimation of the recoverable amount were discount rate, terminal value growth rate, and budgeted revenue growth rate. Discount rate was based on weighted average cost of capital. Terminal value growth rate was determined based on average gross domestic product growth rate. Budgeted revenue growth rate was based on expectations of future outcomes taking into the past experience. The carrying amount of the intellectual property was determined to be higher than its recoverable amount. The Group recorded impairment for loss on intangible assets other than goodwill of Baht 7,167 million during 2021.

	Separate Financial statements
	Computer software in use and under development (in million Baht)
Cost	
At 1 January 2020	3,350
Additions	574
At 31 December 2020 and 1 January 2021	3,924
Additions	843
Disposals	(178)
At 31 December 2021	4,589
Accumulated amortisation	
At 1 January 2020	(1,661)
Amortisation charge for the year	(289)
At 31 December 2020 and 1 January 2021	(1,950)
Amortisation charge for the year	(329)
Disposals	1
At 31 December 2021	(2,278)
Net book value	
At 1 January 2020	1,689
At 31 December 2020 and 1 January 2021	1,974
At 31 December 2021	2,311

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 2021 amounted to Baht 4,319 million (2020: Baht 2,204 million) in the consolidated financial statements and Baht 1,055 million (2020: Baht 1,505 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 2021

18 Interest-bearing liabilities

Consolidated financial statements						
	2021			2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in million Baht)</i>					
Short-term borrowings from financial institutions						
Bills of exchange	-	-	-	-	480	480
Liabilities under trust receipts	-	915	915	-	526	526
Short-term borrowings	28,283	13,493	41,776	-	45	45
Short-term borrowings from other parties	-	-	-	-	6	6
Debentures	40,857	181,492	222,349	57,966	95,030	152,996
Long-term borrowings from financial institutions	19,679	89,018	108,697	1,712	86,620	88,332
Lease liabilities	-	88,540	88,540	-	50,583	50,583
Total interest-bearing liabilities	88,819	373,458	462,277	59,678	233,290	292,968

Separate financial statements						
		2021			2020	
	Note	Secured	Unsecured	Total	Secured	Unsecured
		<i>(in million Baht)</i>				
Short-term borrowings from financial institutions		-	13,493	13,493	-	-
Short-term borrowings from subsidiary	5	-	1,400	1,400	-	-
Debentures		40,857	181,492	222,349	57,966	95,030
Long-term borrowings from financial institutions		-	-	-	-	79,620
Lease liabilities		-	40,118	40,118	-	42,018
Total interest-bearing liabilities		40,857	236,503	277,360	57,966	216,668

Unutilised credit facilities

As at 31 December 2021 the Group had unutilized credit facilities totaling Baht 27,576 million, Indian Rupee 205 million, United States Dollar 154 million, Malaysian Ringgit 131 million, Singapore Dollar 13 million and United Arab Emirates Dirham 5 million (2020: Baht 16,982 million, Indian Rupee 173 million, United States Dollar 4 million and Singapore Dollar 12 million).

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Short-term borrowings from financial institutions

Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in million Baht)</i>			
At 1 January		1,050	3,327	-	2,500
Increases (decreases)		13,272	(2,279)	13,428	(2,500)
Acquisition through business combination	4	28,220	-	-	-
Interest paid calculated using effective interest rate method		117	-	65	-
Unrealised loss on exchange		12	-	-	-
Exchange differences on translating financial statements		20	2	-	-
At 31 December		42,691	1,050	13,493	-

Short-term borrowings from other parties

Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in million Baht)</i>			
At 1 January		6	14	-	-
Decreases		(6)	(9)	-	-
Exchange differences on translating financial statements		-	1	-	-
At 31 December		-	6	-	-

Debentures

Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in million Baht)</i>			
At 1 January		152,996	132,793	152,996	132,793
Increases, net of bond issuance cost		87,823	32,468	87,823	32,468
Decreases		(18,502)	(12,290)	(18,502)	(12,290)
Interest paid calculated using effective interest rate method		32	25	32	25
At 31 December		222,349	152,996	222,349	152,996

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The Company issued unsubordinated debentures in registered name form, secured and unsecured debentures. Detail of outstanding balances were follows:

Debentures no.	Date	Credit limit (in million Baht)	Objective	Debentures term (years)	Balances at 31 December 2021			Fully repayable date
					Amount (in million Baht)	Fixed rate (% per annum)		
Secured debentures								
1/2013	31 October 2013	50,000	Repayment of short-term borrowings from financial institutions	10	15,122	5.35		31 October 2023
1/2014	27 March 2014	40,000	Repayment of short-term borrowings from financial institutions	10	15,314	5.14		27 March 2024
2/2014	22 August 2014	40,000	Repayment of long-term borrowings from financial institutions	10	16,651*	5.05		22 August 2024
Unsecured debentures								
2/2015	30 June 2015	13,000	Repayment of long-term borrowings from financial institutions	7	3,000	4.10		30 June 2022
1/2016	18 March 2016	7,000	Repayment of borrowings	10	6,000	4.45		30 June 2025
				7	937	3.40		18 March 2023
2/2016	26 August 2016	12,000	Repayment of borrowings	10	2,074	4.00		18 March 2026
				12	2,607	4.15		18 March 2028
				7	500	3.25		26 August 2023
1/2017	27 March 2017	4,500	Repayment of borrowings	10	748	3.68		26 August 2026
				12	4,851	4.00		26 August 2028
				12	4,500	4.70		27 March 2029
2/2017	18 August 2017	3,000	Repayment of matured debentures	10	3,000	3.96		18 August 2027
3/2017	15 and 30 November 2017	18,000	Early redemption of debentures	5	9,000	3.10		30 November 2022
1/2019	18 January 2019	15,000	Repayment of matured debentures and/or for working capital	10	9,000	3.50		15 November 2027
				3	5,000	2.86		18 January 2022
				8	2,466	3.95		18 January 2027
				10	1,920	4.12		18 January 2029
				12	5,614	4.40		18 January 2031

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Debentures no.	Date	Credit limit (in million Baht)	Objective	Debentures term (years)	Balances at 31 December 2021			Fully repayable date
					Amount (in million Baht)	Fixed rate (% per annum)		
<i>Unsecured debentures (Continued)</i>								
1/2020	13 May 2020	7,500	Repayment of matured debentures and/or for working capital	7 10 12	1,699 2,169 3,632	2.90 3.29 3.59		13 May 2027 13 May 2030 13 May 2032
2/2020	29 September 2020	25,000	Repayment of matured debentures and/or for working capital	2 years 5 months 17 days 4 years 9 months 1 day 9 years 7 months 14 days	6,000 13,200 2,350	1.90 3.00 3.40		18 March 2023 30 June 2025 13 May 2030
1/2021	16 March 2021	21,900	Repayment of loans from financial institutions	15 5 7 10 15	3,450 10,000 6,800 3,600 1,500	3.90 2.86 3.42 3.95 4.64		29 September 2035 16 March 2026 16 March 2028 16 March 2031 16 March 2036
2/2021	16 June 2021	66,000	Repayment of borrowings from financial institutions	2 3 4 5 7 10 12	3,000 3,000 6,500 17,773 7,376 21,351 7,000	1.53 1.76 2.14 3.00 3.40 3.90 4.20		16 June 2023 16 June 2024 16 June 2025 16 June 2026 16 June 2028 16 June 2031 16 June 2033

* On 22 August 2017, debentures of Baht 6,212 million are early redeemed and paid.

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All series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on the issued date and all series of debentures have a credit rating of “A-(tha)” latest updated by Fitch Ratings (Thailand) Limited on 23 September 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 2021, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 1,048 million shares. The fair value of those shares totaled Baht 44,003 million.

Long-term borrowings from financial institutions

Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
At 1 January		88,332	8,838	79,620	-
Increases		5,000	79,244	-	79,244
Acquisition through business combination	4	100,093	-	-	-
Decreases		(89,187)	(256)	(83,819)	-
Interest paid calculated using effective interest rate method		1,736	101	1,668	101
Unrealised loss on exchange		-	275	-	275
Realised loss on exchange		2,531	-	2,531	-
Exchange differences on translating financial statements		192	130	-	-
At 31 December		108,697	88,332	-	79,620

At 31 December 2021 the Group had unsecured long-term borrowings agreements with some local branch of foreign financial institutions and local 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 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The second agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022
The third agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2024

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Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2025
The fifth agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2026
The sixth agreement	United States Dollars 2,500 million (or equivalent to approximately Baht 83,550 million)	Variable interest rate as stipulated in the agreement	Entire principal of borrowing in October 2024
The seventh agreement	Malaysia Ringgit 2,300 million (or equivalent to approximately Baht 18,433 million)	Variable interest rate as stipulated in the agreement	Installment until October 2026
The eighth agreement	China Renminbi 450 million (or equivalent to approximately Baht 2,393 million)	Floating interest rate as stipulated in the agreement	Semi-annually installment due to May 2026
The ninth agreement	United States Dollars 3,200 million (or equivalent to approximately Baht 107,497 million)	Floating interest rate as stipulated in the agreement	Entire principal of borrowing in June 2022

In this regard, certain foreign subsidiaries issued the letters of guarantee for the eighth 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

Movements during the years ended 31 December 2021 and 2020 were as follows:

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 1 January	50,583	47,568	42,018	39,199
Purchase of assets under lease liabilities	9,463	12,914	8,034	11,837
Acquisition through business combination	4 38,889	-	-	-
Payment of lease liabilities	(9,854)	(8,526)	(7,745)	(7,317)
Write-off	(2,738)	(2,348)	(3,170)	(2,284)
Finance costs under lease	1,622	1,272	981	886
Lease modification	721	-	-	-
Net impact from a granted rent concession	-	(303)*	-	(303)*
Exchange differences on translating financial statements	(146)	6	-	-
At 31 December	88,540	50,583	40,118	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.

19 Trade accounts payable

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Related parties	5 9,511	6,406	6,029	6,173
Other parties	97,352	66,372	32,672	30,320
Total	106,863	72,778	38,701	36,493

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20 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in million Baht)</i>			
Related parties	5	775	247	7,265	8,102
Other parties					
Other payables		14,642	3,611	1,374	1,410
Accrued personnel expenses		3,039	1,905	688	444
Accrued royalties and other accrued expenses		5,774	2,880	1,137	1,220
Deferred royalties and other deferred income		2,107	2,236	1,136	1,326
Accrued interest expenses		2,279	1,648	1,638	1,589
Accrued utilities expenses		1,381	861	636	631
Accrued advertising and sale promotion expenses		286	289	67	149
Accrued rental fees		227	176	224	169
Other		1,293	947	431	481
		31,028	14,553	7,331	7,419
Total		31,803	14,800	14,596	15,521

21 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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Other long-term employee benefit plan

A local subsidiary provides to other long-term employee benefit plan, namely long service awards.

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	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in million Baht)</i>			
At 1 January		5,085	4,843	2,866	2,772
Included in profit or loss:					
Current service costs		394	350	172	176
Past service costs		4	-	-	-
Interest on obligation		71	69	40	39
		<u>469</u>	<u>419</u>	<u>212</u>	<u>215</u>
Included in other comprehensive income:					
Actuarial (gain) loss					
- Financial assumptions		(440)	(342)	(271)	(266)
- Experience adjustment		164	291	120	205
		<u>(276)</u>	<u>(51)</u>	<u>(151)</u>	<u>(61)</u>
Other					
Benefits paid by the plan		(161)	(127)	(51)	(60)
Acquisition through business combination	4	1,487	-	-	-
Transfer in provisions for employee benefits from subsidiaries and related companies		5	1	4	-
Loss of control over a subsidiary		(13)	-	-	-
Exchange differences on translating financial statements		48	-	-	-
At 31 December		<u>6,644</u>	<u>5,085</u>	<u>2,880</u>	<u>2,866</u>

Principal actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	1.3 - 2.2	1.30 - 1.70	2.20	1.60
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	3.0 - 8.0	4.0 - 5.0	3.5 - 4.0	4.0 - 4.5
Turnover rate	0.0 - 50.0	1.0 - 50.0	0.0 - 12.0	1.0 - 20.0

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

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At 31 December 2021, the weighted-average duration of the defined benefit obligations were 7 to 15 years (2020: 8 to 15 years).

Sensitivity analysis

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

	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 31 December				
Discount rate	(406)	(406)	443	466
Future salary growth	437	429	(387)	(380)
Employee turnover	(428)	(415)	483	442

	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 31 December				
Discount rate	(225)	(240)	241	279
Future salary growth	240	265	(213)	(234)
Employee turnover	(234)	(257)	266	295

22 Other non-current provisions

Consolidated financial statements						
		2021			2020	
		Dismantling	Provision for		Provision for	
	Note	provision	litigation	Other	litigation	
			claim		claim	
			(in million Baht)			
At 1 January		-	76	-	76	29
Acquisition through business combination	4	2,101	16	49	2,166	-
Provision made		321	35	16	372	47
Provision used		-	(36)	-	(36)	-
Provision reverse		(3)	-	-	(3)	-
At 31 December		2,419	91	65	2,575	76

	Separate financial statements	
	2021	2020
	<i>(in million Baht)</i>	
At 1 January	-	-
Dismantling provision made	180	-
Dismantling provision used	-	-
Dismantling provision reverse	-	-
At 31 December	180	-

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23 Share premium and reserves

Share premium

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

Surplus from changes in ownership interest in subsidiary

Surplus 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 2021 and 2020 was higher than 10% of the registered authorised capital.

Other components of equity

Translation reserve

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

Fair value reserve

The fair value comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income.

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.

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24 Perpetual subordinated debentures

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
At 1 January	19,909	19,909	19,909	19,909
Increase, net of perpetual subordinated debentures issuance cost	9,955	-	9,955	-
Decrease	(9,953)	-	(9,953)	-
At 31 December	19,911	19,909	19,911	19,909

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. Later, on 30 November 2021, the Company exercised the early redemption right per condition as stipulated in the terms and conditions of debentures no. 1/2016 of Baht 10,000 million, as well as, on the same day the Company issued unsecured, unconvertible and perpetual subordinated debentures in registered name form (“Debentures”) of Baht 10,000 million (debentures no. 1/2021), 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-years 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 19,911 million, net of issuance cost of Baht 89 million, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2021 (consisted of debentures no. 1/2017 of Baht 9,956 million, net of issuance cost of Baht 44 million and debentures no. 1/2021 of Baht 9,955 million, net of issuance cost of Baht 45 million).

As at 31 December 2021, the Company has not deferred any interest payments to the perpetual subordinated debentures holders. Cumulative interest for the year ended 31 December 2021 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 1,000 million (2020: Baht 1,003 million). During the year of 2021, the Company paid interest expenses on perpetual subordinated debentures to the holders of Baht 1,000 million (2020: Baht 1,003 million).

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For debentures no. 1/2017, as at 31 December 2021, 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 2021, the Company classified the perpetual subordinated debentures as financial liability, total liabilities and equity of the Company will increase and decrease by Baht 9,956 million.

25 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, cash and carry, retail and mall rental, as well as, rendering of services related to these operations.

Segment information

Management determined that the Group has 4 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: Retail and mall rental
- Segment 4: Other

Other segments include food service, 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.

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 2021 and 2020 were as follows:

For the year ended 31 December																							
Type of revenues		288,967		221,345		214,140		37,503		-		34,208		33,261		(31,387)		(30,531)		550,636		516,307	
Revenue from sale of goods		288,967		221,345		214,140		37,503		-		34,208		33,261		(31,387)		(30,531)		550,636		516,307	
Revenue from rendering of services		1,301		3,927		3,757		2,770		-		15,632		11,905		(9,059)		(7,353)		14,571		9,577	
Revenue from sale of goods and rendering of services to external customers		290,268		225,272		217,897		40,273		-		49,840		45,166		(40,446)		(37,884)		565,207		525,884	
Timing of revenue recognition																							
At a point of time		290,268		221,345		214,140		37,503		-		45,684		41,073		(38,124)		(34,968)		556,676		520,950	
Overtime		-		3,927		3,757		2,770		-		4,156		4,093		(2,322)		(2,916)		8,531		4,934	
Total		290,268		225,272		217,897		40,273		-		49,840		45,166		(40,446)		(37,884)		565,207		525,884	
Segment profit before income tax expense																							
		8,170		7,436		8,051		886		-		3,355		4,543		(7,270)		(7,925)		12,577		19,262	

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Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2021 and 2020 were as follows:

	Convenience stores		Cash and carry		Retail and mall rental		Other		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in million Baht)</i>											
Revenue from sale of goods and rendering of services	290,268	300,705	225,272	217,897	40,273	-	49,840	45,166	(40,446)	(37,884)	565,207	525,884
Interest income	268	338	32	39	19	-	74	82	(264)	(302)	129	157
Dividend income	7,064	6,768	-	-	-	-	190	120	(7,254)	(6,888)	-	-
Net foreign exchange gain	359	147	30	9	26	-	(8)	77	-	(7)	407	226
Gain from sale of investments in subsidiaries	1,711	-	-	-	-	-	25	-	(418)	-	1,318	-
Other income	20,809	20,572	558	817	225	-	1,539	905	(2,595)	(1,971)	20,536	20,323
Gain on step acquisition	-	-	6,714	-	-	-	-	-	-	-	6,714	-
Total revenues	320,479	328,530	232,606	218,762	40,543	-	51,660	46,350	(50,977)	(47,052)	594,311	546,590
Cost of sale of goods and rendering of services	210,806	216,981	198,479	192,016	30,972	-	39,119	34,105	(34,538)	(32,222)	444,838	410,880
Distribution costs	77,328	77,152	13,155	13,034	6,156	-	4,026	3,749	(2,984)	(2,799)	97,681	91,136
Administrative expenses	13,166	11,982	5,831	5,037	1,518	-	4,820	3,578	(6,148)	(3,874)	19,187	16,723
Net foreign exchange loss	-	-	-	5	-	-	-	2	-	(7)	-	-
Net impairment for loss on intangible assets other than goodwill	-	-	7,159	-	-	-	-	-	-	-	7,159	-
Finance costs	11,009	7,822	546	619	1,011	-	340	373	(263)	(288)	12,643	8,526
Share of loss of associate and joint ventures	-	-	-	-	-	-	-	-	226	63	226	63
Total expenses	312,309	313,937	225,170	210,711	39,657	-	48,305	41,807	(43,707)	(39,127)	581,734	527,328
Segment profit before income tax expense	8,170	14,593	7,436	8,051	886	-	3,355	4,543	(7,270)	(7,925)	12,577	19,262

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Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2021 and 2020 were as follows:

	Convenience stores		Cash and carry		Retail and mall rental		Other		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in million Baht)</i>											
Investment properties	-	-	333	333	45,156	-	-	-	-	-	45,489	333
Property, plant and equipment	40,803	39,047	58,015	58,117	87,880	-	25,690	24,086	(855)	(1,073)	211,533	120,177
Right-of-use assets	38,727	41,011	11,365	10,627	25,829	-	1,672	1,768	(327)	(507)	77,266	52,899
Goodwill	-	-	127,959	127,959	232,545	-	137	137	-	-	360,641	128,096
Intangible assets												
other than goodwill	2,310	1,974	48,268	48,273	5,864	-	2,176	1,716	(7,503)	(257)	51,115	51,706
Other assets	337,673	336,972	67,012	28,893	59,273	-	27,219	25,294	(305,329)	(221,016)	185,848	170,143
Segment assets as at 31 December	419,513	419,004	312,952	274,202	456,547	-	56,894	53,001	(314,014)	(222,853)	931,892	523,354
Segment liabilities as at 31 December	338,161	338,164	69,574	66,190	226,252	-	29,238	26,530	(24,140)	(19,125)	639,085	411,759

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Information about geographical areas

Segment 1, 3 and 4 are managed and have sales offices in Thailand, Malaysia, and other.

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

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

	Consolidated financial statements			
	Revenue		Non-current assets (excluded goodwill)	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Thailand	576,894	536,749	352,049	310,345
Malaysia	6,818	-	36,188	-
Others	10,599	9,841	17,241	3,487
Total	594,311	546,590	405,478	313,832

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 2021 and 2020 were as follow:

	Consolidated financial statements	
	2021	2020
	<i>(in million Baht)</i>	
Domestic sale of goods and rendering of services	9,518	9,692
Total	9,518	9,692

Contract balances

As at 31 December 2021 the Group had outstanding balances of contract liabilities in the consolidated financial statements amounting to Baht 816 million (2020: Baht 958 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.

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26 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 1 year to 99 years, which will expire on various dates until August 2077 with extension options at the end of lease term. The rental is payable as specified in the contract.

Extension options

The Group has extension options on property lease exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

		Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	<i>Note</i>	2021	2020	2021	2020
		<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>					
Sub-lease income		906	7	-	-
Depreciation of right-of-use assets:	15				
- Land		2,580	1,636	1,930	1,262
- Buildings		7,486	7,044	6,748	6,546
- Machinery and equipment		209	191	3	-
- Furniture, fixtures and office equipment		24	21	-	-
- Vehicles		162	111	-	-
Interest on lease liabilities	18	1,622	1,272	981	886
Expenses relating to short-term leases		259	783	48	577
Expenses relating to leases of low-value assets		195	177	61	52
Variable lease payments based on sales		51	53	36	53

Total cash outflow for leases presented in consolidated and separate statement of cash flows for the year ended 31 December 2021 were Baht 10,359 million and Baht 7,890 million, respectively (2020: Baht 9,539 million and Baht 7,999 million, respectively).

As a lessor

The Group has enter 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 year to 30 years and will expire on various dates until May 2048.

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<i>Lease payments to be received from operating leases as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
1 st year	1,901	71	-	-
2 nd year	2,840	35	-	-
3 rd year	1,180	11	-	-
4 th year	241	5	-	-
5 th year	67	-	-	-
After 5 th year	1,090	-	-	-
Total	7,319	122	-	-

27 Other income

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Sale promotion income	12,267	12,674	11,515	12,413
Income on royalties and other fees relating to licenses income	2,272	2,284	2,228	2,269
Other	5,997	5,365	7,063	5,890
Total	20,536	20,323	20,806	20,572

28 Employee benefit expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in million Baht)</i>			
Salaries, wages and bonus		38,042	34,405	22,747	21,643
Staff welfares		1,032	952	510	459
Contribution to social security fund		603	683	360	455
Defined benefit plans	21	469	419	212	215
Contribution to provident fund		402	332	164	174
Training expenses		197	144	1,497	1,100
Other		1,096	153	74	68
Total		41,841	37,088	25,564	24,114

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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29 Expenses by nature

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

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
Changes in inventories of finished goods and work in progress		(20,725)	(315)	(1,209)	(478)
Purchase of finished goods		434,658	384,806	204,374	210,445
Raw materials and consumables used		10,273	9,340	-	-
Depreciation – investment properties	13	749	-	-	-
Depreciation – property, plant and equipment	14	12,386	10,892	7,166	6,755
Depreciation – right-of-use assets	15	10,461	9,003	8,681	7,808
Amortisation – intangible assets other than goodwill	17	891	754	329	289
Impairment for loss on intangible assets other than goodwill	17	7,159	-	-	-
Employee benefit expenses	28	41,841	37,088	25,564	24,114
Convenience store management fees		18,221	19,196	18,218	19,196
Advertising and sale promotion expenses		15,239	14,402	13,837	13,371
Utilities expenses		10,808	9,888	7,543	7,545
Lease-related expenses	26	505	1,013	145	682
Other		26,398	22,671	16,566	16,388
Total cost of sales of goods and rendering of services, distribution costs and impairment for loss on intangible assets other than goodwill administrative expenses		568,864	518,738	301,214	306,115

30 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
Finance costs paid to:					
Related party	5	-	-	21	26
Related parties under leases	5, 26	8	8	-	-
Financial institutions		11,021	7,254	10,007	6,910
Other parties under leases	26	1,614	1,264	981	886
Total		12,643	8,526	11,009	7,822

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31 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Current tax				
Current year	2,838	2,972	2	407
Over provided in prior years	(48)	(43)	-	-
	<u>2,790</u>	<u>2,929</u>	<u>2</u>	<u>407</u>
Deferred income tax				
Movements in temporary differences	(2,265)	(170)	(821)	(112)
	<u>(2,265)</u>	<u>(170)</u>	<u>(821)</u>	<u>(112)</u>
Total	<u>525</u>	<u>2,759</u>	<u>(819)</u>	<u>295</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2021			2020		
	Before income tax	Tax (income) expense	Net of income tax	Before income tax	Tax expense	Net of income tax
	<i>(in million Baht)</i>					
Cash flow hedges reserve	66	(13)	53	-	-	-
Gain on remeasurements of defined benefit plans	(276)	55	(221)	(51)	9	(42)
Gain on investment in equity instruments designated at FVOCI	(325)	65	(260)	-	-	-
Total	<u>(535)</u>	<u>107</u>	<u>(428)</u>	<u>(51)</u>	<u>9</u>	<u>(42)</u>

	Separate financial statements					
	2021			2020		
	Before income tax	Tax expense	Net of income tax	Before income tax	Tax expense	Net of income tax
	<i>(in million Baht)</i>					
Gain on remeasurements of defined benefit plans	(150)	30	(120)	(61)	12	(49)
Gain on investment in equity instruments designated at FVOCI	(325)	65	(260)	-	-	-
Total	<u>(475)</u>	<u>95</u>	<u>(380)</u>	<u>(61)</u>	<u>12</u>	<u>(49)</u>

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Reconciliation of effective tax rate

Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other	Total
		<i>(in million Baht)</i>		
2021				
Accounting profit (loss) before income tax expense	144	13,711	(1,278)	12,577
Income tax at the applicable tax rates	-	2,742	-	2,742
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(2,278)	109	(2,169)
Over provided in prior years	-	(4)	(44)	(48)
Net	-	460	65	525
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	-	2,762	(3)	2,759

Applicable tax rate (%)	Separate financial statements	
	20%	20%
	2021	2020
	<i>(in million Baht)</i>	
Accounting profit before income tax expense	8,213	14,593
Income tax at the applicable tax rates	1,643	2,919
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(2,462)	(2,624)
Net	(819)	295

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Deferred tax assets	2,599	1,787	1,843	1,117
Deferred tax liabilities	(17,848)	(14,947)	-	-
Net	(15,249)	(13,160)	1,843	1,117

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Movements in deferred tax assets and liabilities during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements					At 31 December
	At 1 January	Profit or loss	Other comprehensive income (in million Baht)	Acquisition through business combination (Note 4)	Exchange differences on translating financial statements	
		(Charged)/credit to				
2021						
Deferred tax assets (liabilities)						
Trade accounts receivable and other receivables	12	(8)	-	-	-	4
Inventories	167	470	-	17	(3)	651
Investment in associate	(940)	940	-	(1,311)	-	(1,311)
Investments in related companies	-	-	(65)	-	-	(65)
Property, plant and equipment	63	(811)	-	(5,516)	47	(6,217)
Right-of use assets	(9,143)	7,401	-	2,401	-	659
Derivatives liabilities	940	(916)	-	-	-	24
Lease liabilities	9,677	(8,331)	-	-	-	1,346
Provisions for employee benefits	902	526	(55)	(138)	-	1,235
Other non-current provisions	-	621	-	(179)	-	442
Fair value adjustment assets acquired through business combinations	(14,947)	1,546	-	-	-	(13,401)
Loss carry forward	-	713	-	-	-	713
Other	109	114	13	436	(1)	671
Total	(13,160)	2,265	(107)	(4,290)	43	(15,249)

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	Consolidated financial statements		
	(Charged)/ credited to		
	At 1	Profit or loss	At 31
	January	Other comprehensive income	December
		(in million Baht)	
2020			
<i>Deferred tax assets (liabilities)</i>			
Trade accounts receivable and other receivables	9	3	12
Inventories	152	15	167
Investment in associate	-	(940)	(940)
Property, plant and equipment	64	(1)	63
Right-of use assets	(7,538)	(1,605)	(9,143)
Derivatives liabilities	-	940	940
Lease liabilities	7,961	1,716	9,677
Provisions for employee benefits	858	53	902
Fair value adjustment assets acquired through business combinations	(15,003)	56	(14,947)
Other	176	(67)	109
Total	(13,321)	170	(13,160)

	Separate financial statements		
	(Charged)/ credited to		
	At 1	Profit or loss	At 31
	January	Other comprehensive income	December
		(in million Baht)	
2021			
<i>Deferred tax assets (liabilities)</i>			
Other receivables	3	1	4
Inventories	44	-	44
Investment in associate	(940)	940	-
Investment in related companies	-	-	(65)
Property, plant and equipment	24	-	24
Right-of use assets	(7,935)	8,468	533
Derivatives liabilities	940	(917)	23
Lease liabilities	8,403	(8,403)	-
Provisions for employee benefits	578	19	567
Loss carry forward	-	713	713
Total	1,117	821	1,843

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	At 1 January	Separate financial statements (Charged)/ credited to		At 31 December
		Profit or loss (in million Baht)	Other comprehensive income	
2020				
Deferred tax assets (liabilities)				
Other receivables	2	1	-	3
Inventories	33	11	-	44
Investment in associate	-	(940)	-	(940)
Property, plant and equipment	24	-	-	24
Right-of use assets	(7,434)	(501)	-	(7,935)
Derivatives liabilities	-	940	-	940
Lease liabilities	7,840	563	-	8,403
Provisions for employee benefits	552	38	(12)	578
Total	1,017	112	(12)	1,117

32 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2021 and 2020 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	
	2021	2020	2021	2020
	<i>(in million Baht / million shares)</i>			
Profit for the year attributable to equity holders of the Company	12,985	16,102	9,032	14,298
Less: cumulative interest for the year on perpetual subordinated debentures	(1,000)	(1,003)	(1,000)	(1,003)
Profit used in calculation of basic earnings per share	11,985	15,099	8,032	13,295
Number of ordinary shares outstanding during the year	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	1.33	1.68	0.89	1.48

33 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)
2021				
2020 Annual dividend	23 April 2021	21 May 2021	0.9	8,085
2020				
2019 Annual dividend	15 April 2020	14 May 2020	1.25	11,229

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34 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 instrument	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
(in million Baht)									
31 December 2021									
Financial assets									
	Forward exchange contracts	609	-	-	609	-	609	-	609
	Investments in related companies	-	821	-	821	-	-	821	821
Financial liabilities									
	Debentures	-	-	222,349	222,349	-	229,089	-	229,089
	Long-term borrowings from financial institutions	-	-	108,697	108,697	-	110,167	-	110,167
	Forward exchange contracts	876	128	-	1,004	-	1,004	-	1,004
	Accrued guarantee deposits	-	-	3,519	3,519	-	3,008	-	3,008

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		Consolidated financial statements (Continued)				
		Carrying amount			Fair value	
	Hedging instrument	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Level 1	Level 2
				Total	Level 1	Level 2
						Level 3
						Total
<i>(in million Baht)</i>						
31 December 2020						
Financial assets						
Forward exchange contracts	-	1	-	1	-	1
Investment in related company	-	-	34	34	-	34
Financial liabilities						
Debentures	-	-	-	152,996	-	160,042
Long-term borrowings from financial institutions	-	-	-	88,332	-	89,260
Forward exchange contracts	4,386	1	-	4,387	-	4,387
Accrued guarantee deposits	-	-	-	3,634	-	3,058

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		Separate financial statements							
		Carrying amount				Fair value			
	Hedging instrument	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
(in million Baht)									
31 December 2021									
Financial assets									
	Investments in related companies	-	-	526	-	526	-	526	526
Financial liabilities									
	Debentures	-	-	-	222,349	222,349	229,089	-	229,089
	Forward exchange contracts	-	118	-	-	118	118	-	118
	Accrued guarantee deposits	-	-	-	3,530	3,530	3,019	-	3,019
31 December 2020									
Financial assets									
	Investment in related company	-	-	34	-	34	-	34	34
Financial liabilities									
	Debentures	-	-	-	152,996	152,996	160,042	-	160,042
	Long-term borrowings from financial institutions	-	-	-	79,620	79,620	80,458	-	80,458
	Forward exchange contracts	4,386	-	-	-	4,386	4,386	-	4,386
	Accrued guarantee deposits	-	-	-	3,622	3,622	3,046	-	3,046

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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.

Financial instruments measured at fair value for level 3

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in related companies	Discounted cash flows	Discount rate: (2021: 8.71-11.00% and 2020: 11.28%)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

Reconciliation of fair value level 3

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in million Baht)</i>			
<i>Investments in related companies</i>					
At 1 January		34	34	34	34
Acquisitions		462	-	167	-
Change in fair value					
- recognised in other comprehensive income		325	-	325	-
At 31 December	5	821	34	526	34

Sensitivity analysis

For the fair values of financial assets measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects

	Consolidated financial statements		Separate financial statements	
<i>Effect to other comprehensive income - net of income tax</i>	1% increase in assumption	1% decrease in assumption	1% increase in assumption	1% decrease in assumption
	<i>(in million Baht)</i>			
<i>At 31 December 2021</i>				
<i>Investments in related companies</i>				
Discount rate	(76)	81	(41)	53
<i>At 31 December 2020</i>				
<i>Investment in related company</i>				
Discount rate	(5)	7	(5)	7

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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 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.

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, the 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 trade 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.

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The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to credit risk and expected credit loss of trade accounts receivable and other current receivables are disclosed in note 8 to the financial statements.

(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 which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiary's liabilities. At 31 December 2021, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary (see note 5 to the financial statements).

(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						
Contractual cash flows						
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
(in million Baht)						
At 31 December 2021						
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	42,691	42,698	-	-	-	42,698
Trade accounts payable	106,863	106,863	-	-	-	106,863
Other payables	23,018	23,018	-	-	-	23,018
Debentures	222,349	17,324	21,174	80,608	146,260	265,366
Long-term borrowings from financial institutions	108,697	5,081	87,856	23,788	-	116,725
Lease liabilities	88,540	11,208	9,811	19,008	50,616	90,643
Rental deposits from tenants	2,475	-	11	6	2,458	2,475
	594,633	206,192	118,852	123,410	199,334	647,788

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Consolidated financial statements (Continued)						
			Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
(in million Baht)						
At 31 December 2021						
(continued)						
Derivative financial liabilities						
Forward exchange contracts	128					
Forward exchange contracts used for hedging:	876					
- Cash outflow		(51,859)	-	(6,787)	-	(58,646)
	1,004	(51,859)	-	(6,787)	-	(58,646)
At 31 December 2020						
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
Rental deposits from tenants	32	-	5	6	21	32
	369,626	199,180	33,093	98,956	88,968	420,197
Derivative financial liabilities						
Forward exchange contracts	1					
Forward exchange contracts used for hedging:	4,386					
- Cash outflow		(69,786)	-	-	-	(69,786)
- Cash inflow		21	-	-	-	21
	4,387	(69,765)	-	-	-	(69,765)

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	Separate financial statements					
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
	(in million Baht)					
<i>At 31 December 2021</i>						
<i>Non-derivative financial liabilities</i>						
Short-term borrowings from financial institutions	13,493	13,500	-	-	-	13,500
Trade accounts payable	38,701	38,701	-	-	-	38,701
Other payables	8,103	8,103	-	-	-	8,103
Short-term borrowings from subsidiary	1,400	1,421	-	-	-	1,421
Debentures	222,349	17,324	21,174	80,608	146,260	265,366
Lease liabilities	40,118	8,039	6,804	12,132	17,560	44,535
	<u>324,164</u>	<u>87,088</u>	<u>27,978</u>	<u>92,740</u>	<u>163,820</u>	<u>371,626</u>
<i>Derivative financial liabilities</i>						
Forward exchange contracts	118					
- Cash inflow		1,052	-	-	-	1,052
	<u>118</u>	<u>1,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,052</u>
<i>At 31 December 2020</i>						
<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 used for hedging:	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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(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(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.

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At 31 December 2021 and 2020 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	New Zealand Dollar	Hong Kong Dollar	Yen	Cambodia Riel	China Renminbi	Other	Total
	(in million Baht)											
At 31 December 2021												
Cash and cash equivalents	189	1	-	-	-	-	1	-	109	177	-	477
Trade accounts receivable and other receivables	33	-	-	1	9	-	-	-	-	-	-	43
Trade accounts payable and other payables	(951)	(86)	(21)	(53)	-	(10)	-	(229)	-	(28)	(1)	(1,379)
Short-term borrowings from financial institutions	(18,927)	-	-	-	-	-	-	-	-	-	-	(18,927)
Long-term borrowings from financial institutions	(56,344)	-	-	-	-	-	-	-	-	-	-	(56,344)
Net statement of financial position exposure	(76,000)	(85)	(21)	(52)	9	(10)	1	(229)	109	149	(1)	(76,130)
Forward exchange purchase contracts	76,397	4	-	168	-	-	-	347	-	-	4	76,920
Forward exchange selling contracts	(46)	-	-	-	(30)	-	-	-	-	-	-	(76)
Net exposure	351	(81)	(21)	116	(21)	(10)	1	118	109	149	3	714

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Consolidated financial statements (Continued)												
United States Dollar	Australian Dollar	Pound Sterling	Euro	Swiss Franc	Singapore Dollar	Hong Kong Dollar	Yen	Cambodia Riel	China Renminbi	Total		
(in million Baht)												
At 31 December 2020												
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	(66,962)	(74)	(35)	(119)	(2)	(2)	1	(23)	19	151	(67,046)	
Forward exchange purchase contracts	65,998	-	-	97	6	-	-	29	-	-	66,130	
Forward exchange selling contracts	(31)	-	-	-	(13)	-	-	-	-	-	(44)	
Net exposure	(995)	(74)	(35)	(22)	(9)	(2)	1	6	19	151	(960)	

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<i>At 31 December 2021</i>	Separate financial statements	
	2021	2020
	United States Dollar	United States Dollar
	<i>(in million Baht)</i>	
Cash and cash equivalents	-	139
Trade accounts receivable and other current receivables	3	-
Short-term loans to subsidiaries	2,155	-
Long-term borrowings from financial institutions	-	(66,551)
Net statement of financial position exposure	2,158	(66,412)
Forward exchange purchase contracts	-	65,727
Forward exchange selling contracts	(1,170)	-
Net exposure	988	(685)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Thai Baht against all other currencies as at reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening <i>(in million Baht)</i>	Strengthening	Weakening
<i>At 31 December 2021</i>					
United States Dollar	1	(10)	10	(10)	10
<i>At 31 December 2020</i>					
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 because some of loan interest rates (Note 18 to the financial statements) are variable. 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</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	72,799	-	-	-
Net statement of financial position exposure	72,799	-	-	-
Interest rate swaps	-	-	-	-
Net exposure	72,799	-	-	-

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Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
Impact to profit or loss				
	<i>(in million Baht)</i>			
31 December 2021				
Financial instruments with variable interest rate	(137)	137	-	-

(c) Hedging accounting

(c.1) Cash flow hedges

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

	Change in value used for calculating hedges ineffectiveness	Consolidated financial statements		Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
		Cash flow hedges reserve	Costs of hedging reserve	
Foreign currency risk				
		<i>(in million Baht)</i>		
31 December 2021				
Borrowings	-	(10)	(111)	-

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

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At 31 December 2021 and 2020, the Group held the following financial instruments to hedge exposures to changes in foreign currency.

Consolidated financial statements			
	1-6 months	Maturity 6-12 months (in million Baht)	More than one year
At 31 December 2021			
Foreign currency risk			
<i>Forward exchange contracts</i>			
Net exposure (in million Baht)	-	50,807	6,787
Average USD: THB forward contracts	-	33.80	33.90

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

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Foreign currency risk at 31 December				
Forward exchange contracts				
- nominal amount	56,814	67,358	-	67,358
Carrying amount included in:				
- derivatives liabilities	876	(4,307)	-	(4,307)
Foreign currency risk for the year ended 31 December				
<i>Recognised in other comprehensive income</i>				
- changes in value of				
the hedging instrument	2,622	(4,307)	2,564	(4,307)
- hedging reserve transferred to				
investment in associate	-	4,699	-	4,699
- costs of hedging	(111)	-	-	-
<i>Recognised in profit or loss</i>				
- reclassified from hedging reserve and				
included in foreign exchange loss	(2,632)	(392)	(2,564)	(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			
	2021		2020	
<i>Cash flow hedges</i> <i>- reserve foreign currency risk</i>	Hedging reserve	Costs of hedging reserve (in million Baht)	Hedging reserve	Costs of hedging reserve
Balances at 1 January	-	-	-	-
Change in fair value:				
- borrowings	2,637	(139)	392	-
- investment in associate	-	-	(4,699)	-
Amount reclassified to profit or loss:				
- borrowings	(2,632)	-	(392)	-
- tax on movements on reserve during the year	(15)	28	-	-
Amount included in cost of non-financial item:				
- investment in associate	-	-	4,699	-
Balances at 31 December	(10)	(111)	-	-

	Separate financial statements			
	2021		2020	
<i>Cash flow hedges</i> <i>- reserve foreign currency risk</i>	Hedging reserve	Costs of hedging reserve (in million Baht)	Hedging reserve	Costs of hedging reserve
Balances at 1 January	-	-	-	-
Change in fair value:				
- borrowings	2,564	-	392	-
- investment in associate	-	-	(4,699)	-
Amount reclassified to profit or loss:				
- borrowings	(2,564)	-	(392)	-
Amount included in cost of non-financial item:				
- investment in associate	-	-	4,699	-
Balances at 31 December	-	-	-	-

35 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.

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36 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Capital commitments				
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)	3,779	506	-	-
Total	3,779	506	-	-
Other commitments				
Short-term lease commitments	109	-	104	-
Unused letters of credit for purchase of goods and supplies	1,230	635	-	-
Other commitments	9	-	-	-
Total	1,348	635	104	-

Letters of guarantee

As at 31 December 2021 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 3,290 million and United States Dollars 0.3 million (2020: Baht 1,877 million and United States Dollars 0.3 million).

Significant agreements

As at 31 December 2021 the Group had the following significant agreements:

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

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- (c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers (“licensees”). Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.
- (d) A local subsidiary (Gosoft (Thailand) Co., Ltd.) has service agreements with local companies (“the parties”), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 month to 12 months, and will expire on various dates until March 2022.
- (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 year 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 year 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 November 2024. 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.

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- (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.

37 Events after the reporting period

- 37.1 At the Board of Directors' meeting of the Company held on 24 February 2022, 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 2021 of Baht 0.60 per share for 8,983 million ordinary shares, totaling Baht 5,390 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.
- 37.2 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) held on 18 February 2022, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval:
 - (a) to additionally allocate profit to legal reserve amounted to Baht 318,616,175, totaling Baht 558,616,175 of reserve.
 - (b) to declare the dividends from the profit for the equity holders of the Company for the year 2021 of Baht 0.32 per share for 10,580 million ordinary shares, totaling Baht 3,386 million. The declaration of dividend payment must be approved by the shareholders' meeting of the subsidiary.
- 37.3 Local and foreign subsidiaries increased the authorised share capital and called for additional paid-up share capital. The processes of some subsidiaries had already completed in January 2022 and the remaining were expected to be completed in February 2022.

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38 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2020 have been reclassified to conform to the presentation in the 2021 financial statements as follows:

	2020			2020		
	Consolidated financial statements			Separate financial statements		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication <i>(in million Baht)</i>	Before reclassi- fication	Reclassi- fication	After Reclassi- fication
<i>Statement of financial position as at 31 December</i>						
Other current assets	201	22	223	163	22	185
Property, plant and equipment	120,199	(22)	120,177	39,069	(22)	39,047
Other current liabilities	968	(108)	860	-	-	-
Other non-current provisions	-	76	76	-	-	-
Rental deposits from tenants	-	32	32	-	-	-
		<u>-</u>			<u>-</u>	

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