

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

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

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 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 8 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), 15 and 16 to the financial statements | |
| The key audit matter | How the matter was addressed in the audit |
| <p>The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition.</p> <p>The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions.</p> <p>The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. I considered this to be a key audit matter.</p> | <p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Understood the process of the estimated recoverable amount to assess the impairment. • Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions. • Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards. |



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, actions taken to eliminate threats or safeguards applied.

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
23 February 2023

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---------------------------------------|-------|----------------------|-----------------|----------------------|-----------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| (in Baht) | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 71,424,271,699 | 96,322,566,825 | 20,995,196,036 | 19,457,191,000 |
| Current investments | | 466,263,102 | 811,039,471 | 1,800,000 | - |
| Trade accounts receivable | 5, 7 | 3,620,461,343 | 3,340,619,443 | 243,996,787 | 161,694,336 |
| Other current receivables | 5, 7 | 15,012,287,051 | 13,744,697,837 | 9,698,980,933 | 8,782,826,158 |
| Short-term loans to subsidiaries | 5 | - | - | 7,229,149,000 | 7,654,964,500 |
| Inventories | 8 | 58,183,063,377 | 50,534,771,233 | 18,006,590,778 | 16,316,273,366 |
| Derivatives assets | 32 | 6,514,028 | 608,936,805 | - | - |
| Other current assets | | 242,628,469 | 410,481,036 | 143,433,699 | 168,922,690 |
| Total current assets | | 148,955,489,069 | 165,773,112,650 | 56,319,147,233 | 52,541,872,050 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 10 | - | - | 281,921,124,084 | 281,356,774,084 |
| Investment in associate | 9 | 9,053,162,399 | 9,139,468,357 | - | - |
| Investments in joint ventures | 9 | 5,334,543,334 | 4,875,371,520 | - | - |
| Investments in related companies | 5, 32 | 1,567,675,228 | 820,820,832 | 994,818,675 | 526,070,832 |
| Other long-term investments | | 2,041,800 | 2,041,800 | - | - |
| Other non-current receivables | | 49,527,493 | 224,077,941 | - | - |
| Investment properties | 12 | 44,130,349,761 | 45,488,687,686 | - | - |
| Property, plant and equipment | 5, 13 | 213,409,809,274 | 211,533,291,450 | 43,453,844,986 | 40,782,361,168 |
| Right-of-use assets | 14 | 82,245,538,560 | 77,266,393,792 | 43,559,987,056 | 38,726,575,504 |
| Goodwill | 15 | 360,641,443,961 | 360,641,443,961 | - | - |
| Intangible assets other than goodwill | 5, 16 | 53,802,949,433 | 51,115,273,741 | 2,382,974,406 | 2,310,531,960 |
| Deferred tax assets | 29 | 2,273,143,361 | 2,598,613,704 | 1,507,936,376 | 1,842,702,912 |
| Other non-current assets | 5 | 2,595,816,781 | 2,413,966,984 | 1,104,852,804 | 1,096,923,169 |
| Total non-current assets | | 775,106,001,385 | 766,119,451,768 | 374,925,538,387 | 366,641,939,629 |
| Total assets | | 924,061,490,454 | 931,892,564,418 | 431,244,685,620 | 419,183,811,679 |

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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| (in Baht) | | | | | |
| Current liabilities | | | | | |
| Short-term borrowings from | | | | | |
| financial institutions | 17, 32 | 16,810,210,256 | 42,690,844,508 | 15,173,370,724 | 13,492,976,226 |
| Trade accounts payable | 5, 18, 32 | 115,963,186,762 | 106,863,249,856 | 45,998,480,480 | 38,701,165,419 |
| Other payables | 5, 19, 32 | 31,718,701,002 | 31,987,192,216 | 16,587,411,329 | 14,596,201,492 |
| Contract liabilities | 24 | 530,001,766 | 815,803,105 | - | - |
| Short-term borrowings from | | | | | |
| subsidiaries | 5, 17 | - | - | 60,000,000 | 1,400,000,000 |
| Short-term borrowings from | | | | | |
| other party | 17 | 45,500,000 | - | - | - |
| Current portion of debentures | 17, 32 | 25,554,629,608 | 16,997,834,499 | 25,554,629,608 | 16,997,834,499 |
| Current portion of long-term | | | | | |
| borrowings from financial institutions | 17, 32 | 347,766,826 | 2,368,606,438 | - | - |
| Current portion of lease liabilities | 5, 17, 32 | 10,252,437,674 | 9,942,875,276 | 6,965,524,648 | 6,709,803,060 |
| Income tax payable | | 1,212,480,658 | 1,338,574,635 | - | - |
| Current derivatives liabilities | 32 | 2,761,705,425 | 831,727,942 | 76,923,871 | 118,111,175 |
| Other current liabilities | | 2,246,449,648 | 1,235,700,633 | 646,224,091 | 695,346,672 |
| Total current liabilities | | 207,443,069,625 | 215,072,409,108 | 111,062,564,751 | 92,711,438,543 |
| Non-current liabilities | | | | | |
| Debentures | 17, 32 | 221,706,722,897 | 205,351,363,635 | 198,241,199,616 | 205,351,363,635 |
| Long-term borrowings from | | | | | |
| financial institutions | 17, 32 | 87,353,858,388 | 106,327,990,554 | - | - |
| Lease liabilities | 5, 17, 32 | 84,810,926,758 | 78,597,183,378 | 38,895,631,160 | 33,408,291,712 |
| Provisions for employee benefits | 20 | 6,655,441,341 | 6,643,514,241 | 2,972,032,320 | 2,880,459,809 |
| Other non-current provisions | 21 | 2,532,775,757 | 2,574,938,243 | 191,191,200 | 180,000,000 |
| Rental deposits from tenants | 5, 32 | 1,820,665,481 | 2,474,694,825 | - | - |
| Accrued guarantee deposits | 32 | 3,578,455,670 | 3,518,951,986 | 3,563,295,505 | 3,529,805,025 |
| Deferred tax liabilities | 29 | 17,173,144,478 | 17,848,389,315 | - | - |
| Non-current derivatives liabilities | 32 | 208,676,667 | 172,710,535 | - | - |
| Other non-current liabilities | | 476,456,883 | 503,191,541 | - | - |
| Total non-current liabilities | | 426,317,124,320 | 424,012,928,253 | 243,863,349,801 | 245,349,920,181 |
| Total liabilities | | 633,760,193,945 | 639,085,337,361 | 354,925,914,552 | 338,061,358,724 |

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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in Baht)</i> | | | |
| Equity | | | | | |
| Share capital | | | | | |
| Authorised share capital | | | | | |
| <i>(8,986 million ordinary shares, par value at Baht 1 per share)</i> | | <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 | | | | | |
| <i>(8,983 million ordinary shares, par value at Baht 1 per share)</i> | | 8,983,101,348 | 8,983,101,348 | 8,983,101,348 | 8,983,101,348 |
| Additional paid-in capital | 22 | | | | |
| Premium on ordinary shares | | 1,684,316,879 | 1,684,316,879 | 1,684,316,879 | 1,684,316,879 |
| Surplus from changes in ownership | | | | | |
| interests in subsidiaries and associate | 22 | 288,832,931 | 288,832,931 | - | - |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 22 | 900,000,000 | 900,000,000 | 900,000,000 | 900,000,000 |
| Unappropriated | | 79,417,515,000 | 72,342,210,355 | 54,437,857,900 | 49,384,148,362 |
| Perpetual subordinated debentures | 23 | 9,955,000,000 | 19,911,229,700 | 9,955,000,000 | 19,911,229,700 |
| Other components of equity | 22 | <u>(504,570,815)</u> | <u>24,435,462</u> | <u>358,494,941</u> | <u>259,656,666</u> |
| Equity attributable to equity | | | | | |
| holders of the Company | | 100,724,195,343 | 104,134,126,675 | 76,318,771,068 | 81,122,452,955 |
| Non-controlling interests | 11 | <u>189,577,101,166</u> | <u>188,673,100,382</u> | <u>-</u> | <u>-</u> |
| Total equity | | <u>290,301,296,509</u> | <u>292,807,227,057</u> | <u>76,318,771,068</u> | <u>81,122,452,955</u> |
| | | | | | |
| Total liabilities and equity | | 924,061,490,454 | 931,892,564,418 | 431,244,685,620 | 419,183,811,679 |

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

CP ALL Public Company Limited and its Subsidiaries

Statement of income

| | Note | Consolidated | | Separate | |
|--|-------|----------------------|-----------------|----------------------|-----------------|
| | | financial statements | | financial statements | |
| | | For the year ended | | For the year ended | |
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | (in Baht) | | | |
| Revenues | 5 | | | | |
| Revenue from sale of goods and rendering of services | | 829,098,775,483 | 565,060,274,088 | 354,973,268,800 | 290,228,104,650 |
| Interest income | | 283,129,808 | 128,881,597 | 224,507,239 | 266,982,122 |
| Dividend income | | 431,680 | 336,633 | 5,380,192,752 | 7,064,481,560 |
| Net foreign exchange gain | | - | 407,191,807 | 33,393,844 | 359,448,769 |
| Gain from sale of investments in subsidiaries | 10 | - | 1,317,482,006 | - | 1,710,600,000 |
| Other income | 26 | 23,222,881,871 | 20,615,552,662 | 21,879,084,169 | 20,805,744,385 |
| Total revenues | | 852,605,218,842 | 587,529,718,793 | 382,490,446,804 | 320,435,361,486 |
| Expenses | 5 | | | | |
| Cost of sale of goods and rendering of services | | 651,099,714,363 | 444,771,211,595 | 257,815,564,006 | 210,777,774,677 |
| Distribution costs | | 136,751,074,557 | 97,680,470,375 | 88,438,966,209 | 77,326,834,550 |
| Administrative expenses | | 28,662,804,428 | 19,186,391,197 | 14,872,903,694 | 13,109,431,577 |
| Net foreign exchange loss | | 9,315,704 | - | - | - |
| Impairment loss on intangible assets other than goodwill | 16 | - | 7,159,086,365 | - | - |
| Total expenses | | 816,522,909,052 | 568,797,159,532 | 361,127,433,909 | 301,214,040,804 |
| Profit from operating activities | | 36,082,309,790 | 18,732,559,261 | 21,363,012,895 | 19,221,320,682 |
| Gain on step acquisition | | - | 6,714,300,702 | - | - |
| Share of gain (loss) of associate and joint ventures accounted for using equity method | 9 | 831,423,391 | (226,474,305) | - | - |
| Profit before finance costs and income tax expense (income) | | 36,913,733,181 | 25,220,385,658 | 21,363,012,895 | 19,221,320,682 |
| Finance costs | 5, 28 | 16,831,829,624 | 12,643,003,583 | 9,664,777,322 | 11,008,736,186 |
| Profit before income tax expense (income) | | 20,081,903,557 | 12,577,382,075 | 11,698,235,573 | 8,212,584,496 |
| Income tax expense (income) | 29 | 3,861,000,139 | 524,889,499 | 298,224,558 | (819,095,505) |
| Profit for the year | | 16,220,903,418 | 12,052,492,576 | 11,400,011,015 | 9,031,680,001 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 13,271,707,922 | 12,985,479,957 | 11,400,011,015 | 9,031,680,001 |
| Non-controlling interests | 11 | 2,949,195,496 | (932,987,381) | - | - |
| Profit for the year | | 16,220,903,418 | 12,052,492,576 | 11,400,011,015 | 9,031,680,001 |
| Basic earnings per share (in Baht) | 30 | 1.39 | 1.33 | 1.18 | 0.89 |

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 | 2022 | 2021 | 2022 | 2021 |
| | | (in Baht) | | | |
| Profit for the year | | 16,220,903,418 | 12,052,492,576 | 11,400,011,015 | 9,031,680,001 |
| Other comprehensive income | | | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating | | | | | |
| financial statements | | (1,025,944,811) | 1,522,000,516 | - | - |
| Loss on cash flow hedges | 29, 32 | - | (66,468,535) | - | - |
| Gain on cash flow hedges | 29, 32 | 1,459,114,335 | 2,563,874,518 | - | 2,563,874,518 |
| Income tax relating to components | | | | | |
| of other comprehensive income on | | | | | |
| gain (loss) on cash flow hedges | 29, 32 | (57,974,725) | 13,293,707 | - | - |
| Cash flow hedges reserve reclassified | | | | | |
| to profit or loss | 29, 32 | (1,169,240,711) | (2,632,109,509) | - | (2,563,874,518) |
| Share of other comprehensive income of | | | | | |
| investments accounted for using equity method | 9 | - | 364,271,376 | - | - |
| Share of other comprehensive income of | | | | | |
| investments accounted for using equity method | | | | | |
| reclassified to profit or loss | | - | (345,243,405) | - | - |
| | | <u>(794,045,912)</u> | <u>1,419,618,668</u> | <u>-</u> | <u>-</u> |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Gain on investments in equity instruments | | | | | |
| designated at FVOCI | 29, 32 | 275,654,396 | 324,570,832 | 123,547,843 | 324,570,832 |
| Income tax relating to gain on investments in | | | | | |
| equity instruments designated at FVOCI | 29 | (55,130,879) | (64,914,166) | (24,709,568) | (64,914,166) |
| Gain on remeasurements of | | | | | |
| defined benefit plans | 20, 29 | 277,345,114 | 276,107,066 | 59,162,048 | 150,734,759 |
| Income tax relating to components | | | | | |
| of other comprehensive income on | | | | | |
| gain on remeasurements of defined | | | | | |
| benefit plans | 29 | (48,686,943) | (54,591,259) | (11,832,410) | (30,146,952) |
| | | <u>449,181,688</u> | <u>481,172,473</u> | <u>146,167,913</u> | <u>380,244,473</u> |
| Other comprehensive income for the year | | | | | |
| - net of income tax | | <u>(344,864,224)</u> | <u>1,900,791,141</u> | <u>146,167,913</u> | <u>380,244,473</u> |
| Total comprehensive income for the year | | <u>15,876,039,194</u> | <u>13,953,283,717</u> | <u>11,546,178,928</u> | <u>9,411,924,474</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 | |
| <i>Note</i> | 2022 | 2021 | 2022 | 2021 |
| | <i>(in Baht)</i> | | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 12,939,929,483 | 14,819,668,002 | 11,546,178,928 | 9,411,924,474 |
| Non-controlling interests | <i>11</i> 2,936,109,711 | (866,384,285) | - | - |
| Total comprehensive income for the year | 15,876,039,194 | 13,953,283,717 | 11,546,178,928 | 9,411,924,474 |

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

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

| Consolidated financial statements | | | | | | | | | | | | | |
|---|---|---|----------------------------|---------------|----------------------------|-----------------------------------|-------------------------------|--------------------------|--------------------|----------------------------------|--|---------------------------|------------------|
| | | Retained earnings | | | Other components of equity | | | | | | | | |
| | | Surplus from changes in ownership interests in subsidiaries and associate | Premium on ordinary shares | Legal reserve | Unappropriated | Perpetual subordinated debentures | Translation reserve (in Baht) | Cash flow hedges reserve | Fair value reserve | Total other components of equity | Equity attributable to equity holders of the Company | Non-controlling interests | Total equity |
| Note | Issued and paid-up share capital | | | | | | | | | | | | |
| | 8,983,101,348 | 288,832,931 | 1,684,316,879 | 900,000,000 | 72,342,210,355 | 19,911,229,700 | (162,469,035) | (72,752,169) | 259,656,666 | 24,435,462 | 104,134,126,675 | 188,673,100,382 | 292,807,227,057 |
| For the year ended 31 December 2022 | | | | | | | | | | | | | |
| | Balance at 1 January 2022 | | | | | | | | | | | | |
| Transactions with equity holders, recorded directly in equity | | | | | | | | | | | | | |
| Distributions to equity holders | | | | | | | | | | | | | |
| 31 | - | - | - | - | (5,389,860,809) | - | - | - | - | - | (5,389,860,809) | (2,120,150,528) | (7,510,011,337) |
| Total distributions to equity holders | | | | | | | | | | | | | |
| Changes in ownership interests in subsidiaries and associate | | | | | | | | | | | | | |
| | - | - | - | - | (5,389,860,809) | - | - | - | - | - | (5,389,860,809) | (2,120,150,528) | (7,510,011,337) |
| Called for paid-up share capital from subsidiaries | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | 88,041,601 | 88,041,601 |
| Total changes in ownership interests in subsidiaries and associate | | | | | | | | | | | | | |
| | - | - | - | - | (5,389,860,809) | - | - | - | - | - | (5,389,860,809) | (2,032,108,927) | (7,421,969,736) |
| Total transactions with equity holders, recorded directly in equity | | | | | | | | | | | | | |
| Comprehensive income for the year | | | | | | | | | | | | | |
| | Profit | - | - | - | 13,271,707,922 | - | - | - | - | - | 13,271,707,922 | 2,949,195,496 | 16,220,903,418 |
| | Other comprehensive income | - | - | - | 197,227,838 | - | (839,722,246) | 138,960,429 | 171,755,540 | (529,006,277) | (331,778,439) | (13,085,785) | (344,864,224) |
| | Total comprehensive income for the year | - | - | - | 13,468,935,760 | - | (839,722,246) | 138,960,429 | 171,755,540 | (529,006,277) | 12,939,929,483 | 2,936,109,711 | 15,876,039,194 |
| Redemption of perpetual subordinated debentures | | | | | | | | | | | | | |
| 23 | - | - | - | - | (43,770,300) | (9,956,229,700) | - | - | - | - | (10,000,000,000) | - | (10,000,000,000) |
| Interest payment on perpetual subordinated debentures | | | | | | | | | | | | | |
| 23 | - | - | - | - | (960,000,006) | - | - | - | - | - | (960,000,006) | - | (960,000,006) |
| | 8,983,101,348 | 288,832,931 | 1,684,316,879 | 900,000,000 | 79,417,515,000 | 9,955,000,000 | (1,002,191,281) | 66,208,260 | 431,412,206 | (504,570,815) | 100,724,195,343 | 189,577,101,166 | 290,301,296,509 |
| Balance at 31 December 2022 | | | | | | | | | | | | | |

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

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

Consolidated financial statements

| | Note | Retained earnings | | | | | Other components of equity | | | | | | | | | |
|---|------|---|----------------------------|----------------------------------|---------------|-----------------|-----------------------------------|---------------------|--------------------------|--------------------|--|----------------------------------|--|---------------------------|--------------|------------------|
| | | Surplus (deficit) from changes in ownership interests in subsidiaries and associate | Premium on ordinary shares | Issued and paid-up share capital | Legal reserve | Unappropriated | Perpetual subordinated debentures | Translation reserve | Cash flow hedges reserve | Fair value reserve | Share of other comprehensive income of investments 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 2021 | | | | | | | | | | | | | | | | |
| Balance at 1 January 2021 | | | | | | | | | | | | | | | | |
| Transactions with equity holders, | | | | | | | | | | | | | | | | |
| recorded directly in equity | | | | | | | | | | | | | | | | |
| Distributions to equity holders | | | | | | | | | | | | | | | | |
| Dividends | 31 | - | - | - | - | (8,084,791,213) | - | - | - | - | - | (8,084,791,213) | (332,105,588) | (8,416,896,801) | | |
| Total distributions to equity holders | | | | | | | | | | | | | | | | |
| Changes in ownership interests in subsidiaries and associate | | | | | | | | | | | | | | | | |
| Called for paid-up share capital from subsidiaries | 10 | - | - | - | - | - | - | - | - | - | - | - | - | 2,797,012 | 2,797,012 | (50) |
| Loss in control over a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in ownership interest in subsidiary without a change in control | | | | | | | | | | | | | | | | |
| Change in ownership interest in associate | 10 | - | - | 1,751,546,199 | - | - | - | - | - | - | - | 1,751,546,199 | 175,032,507,337 | 176,784,053,536 | | |
| Total changes in ownership interests in subsidiaries and associate | | | | | | | | | | | | | | | | |
| | 9 | - | - | - | - | (66,040,292) | - | - | - | - | - | (66,040,292) | - | (66,040,292) | - | - |
| Total transactions with equity holders, recorded directly in equity | | | | | | | | | | | | | | | | |
| Comprehensive income for the year | | | | | | | | | | | | | | | | |
| Profit | | - | - | - | - | 12,985,479,957 | - | - | - | - | - | 12,985,479,957 | (932,987,381) | 12,052,492,576 | | |
| Other comprehensive income | | - | - | - | - | 196,804,394 | - | 1,431,451,183 | (72,752,169) | 259,656,666 | 19,027,971 | 1,834,188,045 | 66,603,096 | 1,900,791,141 | | |
| Total comprehensive income for the year | | | | | | | | | | | | | | | | |
| | | - | - | - | - | 13,182,284,351 | - | 1,431,451,183 | (72,752,169) | 259,656,666 | 19,027,971 | 14,819,668,002 | (866,384,285) | 13,553,283,717 | | |
| Issuance of perpetual subordinated debentures | | | | | | | | | | | | | | | | |
| Redemption of perpetual subordinated debentures | 23 | - | - | - | - | - | 9,955,000,000 | - | - | - | - | 9,955,000,000 | - | 9,955,000,000 | - | 9,955,000,000 |
| Interest payment on perpetual subordinated debentures | 23 | - | - | - | - | (47,075,500) | (9,952,924,500) | - | - | - | - | (10,000,000,000) | - | (10,000,000,000) | - | (10,000,000,000) |
| Balance at 31 December 2021 | | | | | | | | | | | | | | | | |
| | | 8,983,101,348 | 1,684,316,879 | 288,832,931 | 900,000,000 | 72,342,210,355 | 19,911,229,700 | (162,469,035) | (72,752,169) | 259,656,666 | - | 24,435,462 | 188,673,100,382 | 292,807,227,057 | | |

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 | | | | Other component of equity | |
| | Issued and paid-up share capital | Premium on ordinary shares | Legal reserve | Perpetual subordinated debentures | Fair value reserve | Total equity |
| | | | (in Baht) | | | |
| For the year ended 31 December 2022 | | | | | | |
| | 8,983,101,348 | 1,684,316,879 | 900,000,000 | 49,384,148,362 | 19,911,229,700 | 81,122,452,955 |
| Transactions with equity holders, recorded directly in equity | | | | | | |
| Distributions to equity holders | | | | | | |
| 31 | - | - | - | (5,389,860,809) | - | (5,389,860,809) |
| Total distributions to equity holders | | | | | | |
| | - | - | - | (5,389,860,809) | - | (5,389,860,809) |
| Total transactions with equity holders, recorded directly in equity | | | | | | |
| | - | - | - | (5,389,860,809) | - | (5,389,860,809) |
| Comprehensive income for the year | | | | | | |
| | - | - | - | 11,400,011,015 | - | 11,400,011,015 |
| | - | - | - | 47,329,638 | - | 146,167,913 |
| | - | - | - | 11,447,340,653 | - | 11,546,178,928 |
| Redemption of perpetual subordinated debentures | | | | | | |
| 23 | - | - | - | (43,770,300) | (9,956,229,700) | (10,000,000,000) |
| Interest payment on perpetual subordinated | | | | | | |
| 23 | - | - | - | (960,000,006) | - | (960,000,006) |
| Balance at 31 December 2022 | | | | | | |
| | 8,983,101,348 | 1,684,316,879 | 900,000,000 | 54,437,857,900 | 358,494,941 | 76,318,771,068 |

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 | |
|--|---|----------------------------------|----------------------------|---------------|-----------------------------------|--------------------|---------------------------|------------------|
| | | Retained earnings | | | Perpetual subordinated debentures | Fair value reserve | | Total equity |
| | | Issued and paid-up share capital | Premium on ordinary shares | Legal reserve | Unappropriated reserve | | | |
| | | | | | (in Baht) | | | |
| | For the year ended 31 December 2021 | | | | | | | |
| | Balance at 1 January 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 | | | | | | | |
| | Distributions to equity holders | | | | | | | |
| | Dividends | - | - | - | (8,084,791,213) | - | - | (8,084,791,213) |
| | Total distributions to equity holders | - | - | - | (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 | | | | | | | |
| | Profit | - | - | - | 9,031,680,001 | - | - | 9,031,680,001 |
| | Other comprehensive income | - | - | - | 120,587,807 | - | 259,656,666 | 380,244,473 |
| | Total comprehensive income for the year | - | - | - | 9,152,267,808 | - | 259,656,666 | 9,411,924,474 |
| | Issuance of perpetual subordinated debentures | - | - | - | - | 9,955,000,000 | - | 9,955,000,000 |
| | Redemption of perpetual subordinated debentures | - | - | - | (47,075,500) | (9,952,924,500) | - | (10,000,000,000) |
| | Interest payment on perpetual subordinated debentures | - | - | - | (1,000,000,000) | - | - | (1,000,000,000) |
| | Balance at 31 December 2021 | 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 cash flows

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | | For the year ended | | For the year ended | |
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| <i>(in Baht)</i> | | | | | |
| <i>Cash flows from operating activities</i> | | | | | |
| Profit for the year | | 16,220,903,418 | 12,052,492,576 | 11,400,011,015 | 9,031,680,001 |
| <i>Adjustments to reconcile profit to cash receipts</i> | | | | | |
| Depreciation of investment properties | 12 | 2,084,257,472 | 748,587,692 | - | - |
| Depreciation of property, plant and equipment | 13 | 19,644,438,811 | 12,386,127,286 | 7,545,215,102 | 7,165,993,582 |
| Depreciation of right-of-use assets | 14 | 13,036,416,838 | 10,460,698,642 | 8,527,458,155 | 8,681,426,114 |
| Amortisation of intangible assets | | | | | |
| other than goodwill | 16 | 1,779,123,269 | 890,625,540 | 414,458,418 | 329,277,194 |
| Interest income | | (283,129,808) | (128,881,597) | (224,507,239) | (266,982,122) |
| Dividend income | | (431,680) | (336,633) | (5,380,192,752) | (7,064,481,560) |
| (Gain) loss from sale of investments in subsidiaries | 10 | - | (1,317,482,006) | 16,200,000 | (1,710,600,000) |
| Finance costs | 28 | 16,831,829,624 | 12,643,003,583 | 9,664,777,322 | 11,008,736,186 |
| Income tax expense (income) | 29 | 3,861,000,139 | 524,889,499 | 298,224,558 | (819,095,505) |
| Provisions for employee benefits | 20 | 590,403,844 | 468,557,582 | 210,785,326 | 211,920,196 |
| (Reversal of allowance) loss | | | | | |
| on decline in value of inventories | 8 | (35,062,631) | 2,311,092,989 | (3,960,445) | (62,554) |
| (Reversal) impairment loss on investment properties | 12 | 2,014,150 | (1,302,869) | - | - |
| Impairment loss on | | | | | |
| property, plant and equipment | 13 | 95,417,791 | 79,556,019 | - | - |
| (Reversal) impairment loss on right-of-use assets | 14 | (12,663,800) | 79,950,427 | - | - |
| Impairment loss on intangible assets | | | | | |
| other than goodwill | 16 | 2,315,058 | 7,159,086,365 | - | - |
| (Reversal) allowance for expected credit loss on | | | | | |
| trade accounts receivable and other receivables | | (85,038,243) | 365,631,399 | 4,121,548 | 1,953,594 |
| Unrealised gain on exchange | | (85,794,653) | (109,198,593) | (74,184,500) | (125,214,500) |
| Share of (gain) loss of associate and joint ventures | | | | | |
| accounted for using equity method | 9 | (831,423,391) | 226,474,305 | - | - |
| Loss on disposal and write-off of | | | | | |
| investment properties | | 17,304,775 | 4,795,198 | - | - |
| Loss on disposal and write-off of | | | | | |
| property, plant and equipment | | 234,962,672 | 192,528,585 | 183,412,321 | 67,941,574 |
| Gain on disposal and write-off of | | | | | |
| right-of-use assets | | (358,328,817) | (147,266,512) | (147,682,178) | (123,610,949) |

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 | | Separate | |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | financial statements | | financial statements | |
| | | For the year ended | | For the year ended | |
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| (in Baht) | | | | | |
| Loss on write-off of intangible assets | | | | | |
| other than goodwill | | 18,500,524 | 19,093,327 | 14,514,034 | 19,090,382 |
| Differences on a granted rent concession | 17 | (166,301,356) | (577,695,910) | (166,301,356) | (577,695,910) |
| Share of other comprehensive income | | | | | |
| of investments accounted | | | | | |
| for using equity method | 9 | - | (345,243,405) | - | - |
| Gain on step acquisition | | - | (6,714,300,702) | - | - |
| | | 72,560,714,006 | 51,271,482,787 | 32,282,349,329 | 25,830,275,723 |
| Changes in operating assets and liabilities | | | | | |
| Trade accounts receivable | | (179,802,773) | (901,120,426) | (82,302,451) | 90,032,857 |
| Other receivables | | (417,342,792) | (2,696,146,082) | (198,198,934) | (1,499,511,250) |
| Inventories | | (7,718,281,004) | (6,619,480,446) | (1,686,356,967) | (1,209,174,395) |
| Derivatives assets | | 412,393,823 | (102,810,823) | - | (77,188,831) |
| Other current assets | | 192,626,339 | (226,524,934) | 25,488,991 | (6,092,784) |
| Other non-current assets | | (161,537,102) | 648,722,968 | (7,929,635) | 193,887,595 |
| Trade accounts payable | | 9,263,663,457 | 11,796,367,116 | 7,297,315,061 | 2,208,637,525 |
| Other payables | | 1,386,596,027 | (3,674,374,907) | 2,559,187,165 | (1,694,778,804) |
| Contract liabilities | | (285,801,339) | (141,993,604) | - | - |
| Derivatives liabilities | | (31,103,367) | (22,316,128) | (41,187,304) | 68,984,035 |
| Other current liabilities | | 530,120,751 | 373,771,043 | (49,122,581) | 54,338,851 |
| Provisions for employee benefits paid | 20 | (289,021,718) | (160,697,173) | (61,829,406) | (50,873,273) |
| Transferred (out) in of provisions for | | | | | |
| employee benefits | 20 | (11,560,123) | 5,250,133 | 1,778,639 | 4,008,420 |
| Payment for other non-current provisions | | (71,645,274) | (36,022,058) | - | - |
| Other non-current provisions | | (14,946,638) | 368,067,190 | - | - |
| Rental deposits from tenants | | (161,358,223) | 4,722,953 | - | - |
| Accrued guarantee deposits | | 59,503,684 | 156,513,052 | 33,490,480 | (92,038,256) |
| Other non-current liabilities | | (26,440,858) | 157,356,753 | 11,191,200 | 180,000,000 |
| Net cash generated from operating | | 75,036,776,876 | 50,200,767,414 | 40,083,873,587 | 24,000,507,413 |
| Income tax paid | | (5,163,543,410) | (3,881,946,684) | (686,506,599) | (663,352,614) |
| Net cash from operating activities | | 69,873,233,466 | 46,318,820,730 | 39,397,366,988 | 23,337,154,799 |

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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| <i>(in Baht)</i> | | | | | |
| Cash flows from investing activities | | | | | |
| Interest received | | 222,412,521 | 103,300,820 | 192,650,644 | 260,090,937 |
| Dividends received | | 431,680 | 336,633 | 5,380,192,752 | 7,064,481,560 |
| Dividends received from associate and joint ventures | 9 | 458,557,535 | 81,162,222 | - | - |
| Payment for current investments | | (1,102,092,602) | (809,039,471) | (1,800,000) | - |
| Proceeds from sale of current investments | | 1,418,017,623 | 36,554,700 | - | - |
| Payment for short-term loans to subsidiaries | 5 | - | - | (200,000,000) | (3,799,750,000) |
| Proceeds from repayment of short-term loans to subsidiaries | 5 | - | - | 700,000,000 | 1,770,000,000 |
| Payment for acquisition of investments in subsidiaries | 10 | - | - | (813,050,000) | (1,182,830,020) |
| Proceeds from sale of investments in subsidiaries | 10 | - | - | 232,500,000 | 988,000,000 |
| Proceeds from sale of investments in related companies | | - | 1,014,099,217 | - | - |
| Payment for acquisition of investments in related companies | | (471,200,000) | (362,250,000) | (345,200,000) | (67,500,000) |
| Payment for acquisition of investment properties | | (1,263,844,795) | (65,825,162) | - | - |
| Proceeds from sale of investment properties | | 1,183,989 | 222,796 | - | - |
| Payment for acquisition of property, plant and equipment | | (25,697,719,524) | (14,071,553,335) | (11,084,545,846) | (8,526,763,356) |
| Proceeds from sale of property, plant and equipment | | 473,289,071 | 263,450,634 | 233,905,477 | 137,799,914 |
| Payment for acquisition of right-of-use assets | | (495,636,786) | (1,341,208,768) | (306,803,437) | (839,749,496) |
| Proceeds from sale of right-of-use assets | | - | 8,079,851 | - | 8,079,851 |
| Payment for acquisition of intangible assets other than goodwill | | (4,062,895,802) | (2,278,332,314) | (762,844,701) | (681,586,415) |
| Proceeds from sale of intangible assets other than goodwill | | 13,517,736 | 159,122,137 | 7,479,534 | 158,320,151 |
| Cash inflow on entire business transfer | | - | 19,139,959,377 | - | - |
| Net cash (used in) from investing activities | | (30,505,979,354) | 1,878,079,337 | (6,767,515,577) | (4,711,406,874) |

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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| <i>(in Baht)</i> | | | | | |
| Cash flows from financing activities | | | | | |
| Proceeds from issue of ordinary shares | | | | | |
| of the subsidiary | | - | 33,006,631,348 | - | - |
| Interest paid | | (12,262,787,175) | (8,616,802,578) | (8,278,032,174) | (8,213,841,279) |
| Interest paid on perpetual subordinated debentures | 23 | (960,000,006) | (1,000,000,000) | (960,000,006) | (1,000,000,000) |
| Dividends paid to equity holders of the Company | 31 | (5,389,648,055) | (8,084,778,526) | (5,389,648,055) | (8,084,778,526) |
| Dividends paid to non-controlling interests | | (2,120,150,528) | (332,105,588) | - | - |
| Payment of lease liabilities | 17 | (13,853,562,517) | (9,853,735,115) | (8,139,011,570) | (7,745,303,824) |
| Short-term borrowings | | | | | |
| from financial institutions (decrease) increase | 17 | (26,104,000,059) | 13,272,275,699 | 1,608,114,910 | 13,428,442,000 |
| Proceeds from short-term borrowings | | | | | |
| from subsidiaries | 5 | - | - | 60,000,000 | 1,400,000,000 |
| Repayment from short-term borrowings | | | | | |
| from subsidiary | 5 | - | - | (1,400,000,000) | - |
| Proceeds from short-term borrowings | | | | | |
| from other party | | 45,500,000 | - | - | - |
| Repayment of short-term borrowings | | | | | |
| from other party | 17 | - | (6,007,420) | - | - |
| Proceeds from forward exchange contracts | | 5,175,350,000 | - | - | - |
| Payment for forward exchange contracts | | (1,529,159,729) | (1,696,225,638) | - | (1,696,225,638) |
| Proceeds from issue of debentures | 17 | 47,870,023,971 | 87,822,880,000 | 24,406,730,520 | 87,822,880,000 |
| Repayment of debentures | 17 | (23,000,000,000) | (18,502,100,000) | (23,000,000,000) | (18,502,100,000) |
| Proceeds from long-term borrowings | | | | | |
| from financial institutions | 17 | 2,364,770,270 | 5,000,000,000 | - | - |
| Repayment of long-term borrowings | | | | | |
| from financial institutions | 17 | (24,636,305,382) | (89,187,803,367) | - | (83,852,175,954) |
| Payment of front-end fees | | - | (5,508,147) | - | - |
| Proceeds from issue of perpetual subordinated debentures | 23 | - | 9,955,000,000 | - | 9,955,000,000 |
| Repayment of perpetual subordinated debentures | 23 | (10,000,000,000) | (10,000,000,000) | (10,000,000,000) | (10,000,000,000) |
| Proceeds from called for paid-up share capital from subsidiaries | | 88,041,601 | 2,797,012 | - | - |
| Proceeds from changes in ownership interests in subsidiaries without a change in control | 10 | - | 5,735,628,000 | - | 5,742,000,000 |
| Net cash (used in) from financing activities | | (64,311,927,609) | 7,510,145,680 | (31,091,846,375) | (20,746,103,221) |

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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| (in Baht) | | | | | |
| Net (decrease) increase in cash and cash equivalents, before exchange differences on translating financial statements | | (24,944,673,497) | 55,707,045,747 | 1,538,005,036 | (2,120,355,296) |
| Exchange differences on translating financial statements | | 46,378,371 | 26,440,032 | - | - |
| Net (decrease) increase in cash and cash equivalents | | (24,898,295,126) | 55,733,485,779 | 1,538,005,036 | (2,120,355,296) |
| Cash and cash equivalents at 1 January | | 96,322,566,825 | 40,589,081,046 | 19,457,191,000 | 21,577,546,296 |
| Cash and cash equivalents at 31 December | 6 | 71,424,271,699 | 96,322,566,825 | 20,995,196,036 | 19,457,191,000 |
| Supplemental disclosures of cash flows information: | | | | | |
| Investment properties purchased during the year are detailed as follows: | | | | | |
| Increases during the year | 12 | 1,503,054,579 | 65,825,162 | - | - |
| Less - lease liabilities | | (239,209,784) | - | - | - |
| Paid by cash | | 1,263,844,795 | 65,825,162 | - | - |
| Property, plant and equipment purchased during the year are detailed as follows: | | | | | |
| Increases during the year | 13 | 23,216,113,821 | 20,187,043,449 | 10,634,016,718 | 9,107,114,337 |
| Add (less) - changes in payables | | 2,481,605,703 | (6,093,648,037) | 450,529,128 | (558,508,904) |
| (Less) - changes in other current assets | | - | (21,842,077) | - | (21,842,077) |
| Paid by cash | | 25,697,719,524 | 14,071,553,335 | 11,084,545,846 | 8,526,763,356 |
| Right-of-use assets acquired during the year are detailed as follows: | | | | | |
| Increases during the year | 14 | 21,617,716,210 | 10,804,087,392 | 16,056,664,911 | 8,873,396,015 |
| Less - lease liabilities | | (21,122,079,424) | (9,462,878,624) | (15,749,861,474) | (8,033,646,519) |
| Paid by cash | | 495,636,786 | 1,341,208,768 | 306,803,437 | 839,749,496 |
| Other intangible assets other than goodwill purchased during the year are detailed as follows: | | | | | |
| Increases during the year | 16 | 4,328,804,371 | 2,287,217,917 | 508,894,432 | 843,625,007 |
| (Less) Add - changes in payables | | (265,908,569) | (8,885,603) | 253,950,269 | (162,038,592) |
| Paid by cash | | 4,062,895,802 | 2,278,332,314 | 762,844,701 | 681,586,415 |

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 2022

| Note | Contents |
|-------------|---|
| 1 | General information |
| 2 | Basis of preparation of the financial statements |
| 3 | Significant accounting policies |
| 4 | Business combination by entire business transfer |
| 5 | Related parties |
| 6 | Cash and cash equivalents |
| 7 | Trade accounts receivable and other current receivables |
| 8 | Inventories |
| 9 | Investments in associate and joint ventures |
| 10 | Investments in subsidiaries |
| 11 | Non-controlling interests |
| 12 | Investment properties |
| 13 | Property, plant and equipment |
| 14 | Right-of-use assets |
| 15 | Goodwill |
| 16 | Intangible assets other than goodwill |
| 17 | Interest-bearing liabilities |
| 18 | Trade accounts payable |
| 19 | Other payables |
| 20 | Provisions for employee benefits |
| 21 | Other non-current provisions |
| 22 | Share premium and reserves |
| 23 | Perpetual subordinated debentures |
| 24 | Segment information and disaggregation of revenue |
| 25 | Leases |
| 26 | Other income |
| 27 | Expenses by nature |
| 28 | Finance costs |
| 29 | Income tax |
| 30 | Basic earnings per share |
| 31 | Dividends |
| 32 | Financial instruments |
| 33 | Capital management |
| 34 | Commitments with non-related parties |
| 35 | Events after the reporting period |
| 36 | Reclassification of accounts |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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 23 February 2023.

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, wholesale business, retail business and mall, 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 2022 was 13,838 stores (2021: 13,134 stores).

| | 2022 | 2021 |
|---|---------------------------|---------------|
| | <i>(number of stores)</i> | |
| The Company owns and manages convenience stores | 6,839 | 6,280 |
| The Company franchises the license to other retailers | | |
| - under management agreements | 6,144 | 6,020 |
| - under sub-license agreements | 855 | 834 |
| Total | 13,838 | 13,134 |

Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are given in note 10 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, 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 2022

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 2022

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 does 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 is 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 2022

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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(d) Financial instruments

(d.1) Classification and measurement

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade and other accounts receivables (see note 3(f) to the financial statements) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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

Notes to the financial statements

For the year ended 31 December 2022

(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, 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 2022

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 take action 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 have a maturities 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

The Group estimates lifetime expected credit losses (“ECLs”), using a provision matrix to find the ECLs rates. 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 6 years to 99 years or according to lease term and recognised in profit or loss. No depreciation is 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 2022

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, 30 years and indefinite useful lives |
| Customer base and other | 10 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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 are recognised as expenses on a straight-line basis over the respective lease terms.

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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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

Other long-term employee benefits

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

Termination benefits

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

Short-term employee benefits

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

(p) Provisions

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

(q) Perpetual subordinated debentures

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

(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:

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

- 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.

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 and cost of sales for the estimated products to be returned. Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Customer loyalty programmes

For customer loyalty programmes that the Group offers to customers, the consideration received is 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 the discount provided to customers and the likelihood that the customers will redeem the points. The estimate is 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 when its obligation to arrange for the provision of the specified good or service is fulfilled.

(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 it relates 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

(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 executive committee of the Group (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

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 C.P. Retail Holding Company Limited ("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.

On 25 October 2021, the subsidiary complete the entire business transfer transaction of CPRH. As part of the EBT Transaction, all assets and liabilities of CPRH were transferred to the subsidiary at the closing date. CPRH's main assets and liabilities included cash and cash equivalents, accrued expenses and 99.99% of C.P. Retail Development Company Limited ("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. The 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 each at the offering price of Baht 43.50 per share, totaling Baht 217,949,072,250 to CPRH in consideration of the EBT Transaction from CPRH as payment in kind through the private placement offering.

After 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) Charoen Pokphand Holding Company Limited ("CPH") and (c) C.P. Merchandising Company Limited ("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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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 |

During the first quarter of 2022, the Group has completed the assessment of the fair value of identifiable assets acquired and liabilities assumed from business combination including the allocation of the consideration transferred. In this regard, the Group recorded goodwill amounting to Baht 232,545 million. Goodwill has been allocated to C.P. Retail Development Company Limited and its subsidiaries (“Lotus’s group”) which are the group of cash generating units of the Group.

Identifiable assets acquired and liabilities assumed

| | Fair values <i>(in million Baht)</i> |
|---------------------------------------|--|
| CPRH | |
| Cash and cash equivalents | 4 |
| Other payables | (2) |
| CPRD | |
| Cash and cash equivalents | 19,136 |
| 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 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| | Fair values <i>(in million Baht)</i> |
|---|--|
| CPRD (Continued) | |
| Other non-current assets | 1,054 |
| Short-term borrowings from financial institutions | (28,220) |
| Trade accounts payable | (22,479) |
| Other payables | (13,870) |
| 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 | (2,439) |
| Deferred tax liabilities | (6,447) |
| Other non-current liabilities | (505) |
| Total identifiable net assets received | (2,070) |
| Goodwill | 232,545 |
| Consideration transferred | 230,475 |

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 <i>(in million Baht)</i> |
|---|---|
| Total revenues | 40,197 |
| Profit for the period attributable to equity holders of the Company | 238 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

5 Related parties

Relationships with subsidiaries, associate and joint ventures are described in note 9 and 10 to the financial statements. Relationships with key management and other related parties that the Group had significant transactions with during the year were as follows:

| Name of parties | Country of incorporation/ nationality | Nature of relationships |
|--|--|---|
| Charoen Pokphand Group Company Limited (“CPG”) | Thailand | Shareholder of the Company, Company under CPG Group |
| All Now Logistics Co., Ltd. | Thailand | Company under CPG Group |
| All Now Management Co., Ltd. | Thailand | Company under CPG Group |
| Alter Vim Company Limited | Thailand | Company under CPG Group |
| Ascend Commerce Company Limited | Thailand | Company under CPG Group |
| Ascend Food Company Limited | Thailand | Company under CPG Group |
| C.P. Consumer Products Co., Ltd. | Thailand | Company under CPG Group |
| C.P. Merchandising Co., Ltd. | Thailand | Company under CPG Group |
| C.P. Packaging Industry Co., Ltd. | Thailand | Company under CPG Group |
| C.P. Venture Capital Co., Ltd. | Thailand | Company under CPG Group |
| C.P. Facility Management Company Limited | Thailand | Company under CPG Group |
| CP Land Public Company Limited | Thailand | Company under CPG Group |
| C.P. Tower Growth Leasehold Property Fund | Thailand | Company under CPG Group |
| Charoen Pokphand Engineering Co., Ltd. | Thailand | Company under CPG Group |
| Charoen Pokphand Foods Public Company Limited | Thailand | Company under CPG Group |
| Chester Food Co., Ltd. | Thailand | 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 Match Co., Ltd. | Thailand | Company under CPG Group |
| CP Sales & Service Company Limited | Thailand | Company under CPG Group |
| CPF (Thailand) Public Company Limited | Thailand | Company under CPG Group |
| CPF Food and Beverage Company Limited | Thailand | Company under CPG Group |
| CPF IT Center Co., Ltd. | Thailand | Company under CPG Group |
| CPF Restaurant and Food Chain Company Limited | Thailand | Company under CPG Group |
| CPF Trading Co., Ltd. | Thailand | Company under CPG Group |
| CP-Meiji Co., Ltd. | Thailand | Company under CPG Group |
| EGG Digital Co., Ltd. | Thailand | Company under CPG Group |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Name of parties | Country of incorporation/ nationality | Nature of relationships |
|--|---|---|
| International Pet Food Co., Ltd. | Thailand | Company under CPG Group |
| Leadership Development Charoen Pokphand Group Co., Ltd. | Thailand | Company under CPG Group |
| Perfect Companion Group Co., Ltd. | Thailand | Company under CPG Group |
| Pokphand Enterprise Co., Ltd. | Thailand | Company under CPG Group |
| SM True Co., Ltd. | Thailand | Company under CPG Group |
| True Digital Group Co., Ltd. | Thailand | Company under CPG Group |
| True Distribution and Sales Co., Ltd. | Thailand | Company under CPG Group |
| True E-Logistics Company Limited | Thailand | Company under CPG Group |
| True GS Co., Ltd. | Thailand | Company under CPG Group |
| True Internet Corporation Co., Ltd. | Thailand | Company under CPG Group |
| True Internet Data Center Company Limited | Thailand | Company under CPG Group |
| True Leasing Co., Ltd. | Thailand | Company under CPG Group |
| True Money Co., Ltd. | Thailand | Company under CPG Group |
| True Move H Universal Communication Co., Ltd. | Thailand | Company under CPG Group |
| True United Football Club Co., Ltd. | Thailand | Company under CPG Group |
| Wire & Wireless Co., Ltd. | Thailand | Company under CPG Group |
| Asia Aquaculture (M) Sdn. Bhd. | Malaysia | Company under CPG Group |
| Perfect Companion (MALAYSIA) Sdn. Bhn. | Malaysia | Company under CPG Group |
| Pk Agro-industrial Product (MALAYSIA) Sdn. Bhd. | Malaysia | Company under CPG Group |
| Tip Top Meat Sdn. Bhd. | Malaysia | Company under CPG Group |
| C.P. Cambodia Co., Ltd. | Cambodia | Company under CPG Group |
| C.P. Vietnam Corporation | Vietnam | Company under CPG Group |
| Charoen Pokphand Foods Canada Inc. | Canada | Company under CPG Group |
| Advance Transport Co., Ltd. | Thailand | Chearavanont family is major shareholders |
| C.P. Food Store Co., Ltd. | Thailand | Chearavanont family is major shareholders |
| Chef Cares Project Co., Ltd. | Thailand | Chearavanont family is major shareholders |
| CT Fresh Company Limited | Thailand | Chearavanont family is major shareholders |
| Dynamic Transport Company Limited | Thailand | Chearavanont family is major shareholders |
| Dees Supreme Co., Ltd. | Thailand | Chearavanont family is major shareholders |
| Thai Kodama Company Limited | Thailand | Chearavanont family is major shareholders |
| Key management personnel | Thai/ 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) |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| <i>Significant transactions with related parties</i> <i>Year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|------------|--|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>Subsidiaries</i> | | | | |
| Revenue from sale of goods and rendering of services | - | - | 5,419 | 5,053 |
| Interest income | - | - | 193 | 237 |
| Dividend income | - | - | 5,380 | 7,064 |
| Other income | - | - | 2,269 | 2,115 |
| Distribution costs | - | - | 3,135 | 1,649 |
| Administrative expenses | - | - | 3,366 | 4,918 |
| Finance costs | - | - | 41 | 21 |
| Purchases of goods and services | - | - | 30,932 | 25,417 |
| Purchases of property, plant and equipment and intangible assets other than goodwill | - | - | 2,969 | 2,785 |
| <i>Associate</i> | | | | |
| Revenue from sale of goods and rendering of services | 349 | 104 | - | - |
| Dividend income | 448 | 81 | - | - |
| Other income | 1 | 1 | - | - |
| Distribution costs | 586 | 116 | - | - |
| Administrative expenses | - | 2 | - | 1 |
| Finance costs | 252 | 32 | - | - |
| Purchases of goods and services | 123 | 38 | - | - |
| <i>Joint ventures</i> | | | | |
| Revenue from sale of goods and rendering of services | 67 | 10 | - | - |
| Dividend income | 10 | - | - | - |
| Other income | 51 | 9 | - | - |
| Distribution costs | 97 | 24 | - | - |
| Administrative expenses | 2 | 1 | - | - |
| Purchases of goods and services | 10 | 1 | - | - |
| Finance costs | 1 | - | - | - |
| <i>Related companies</i> | | | | |
| Revenue from sale of goods and rendering of services | 2,304 | 2,557 | 398 | 416 |
| Gain from sale of investment in subsidiaries | - | 1,317 | - | 1,440 |
| Other income | 1,676 | 1,160 | 1,491 | 1,104 |
| Distribution costs | 2,687 | 1,083 | 1,516 | 723 |
| Administrative expenses | 1,213 | 686 | 343 | 377 |
| Finance costs | 36 | 8 | - | - |
| Purchases of goods and services | 67,819 | 51,652 | 26,084 | 29,877 |
| Purchases of property, plant and equipment and intangible assets other than goodwill | 317 | 173 | 6 | 139 |
| <i>Key management personnel</i> | | | | |
| Key management benefit expenses | | | | |
| Short-term employee benefits | 807 | 759 | 528 | 494 |
| Severance pay for employees | 46 | 10 | 6 | 2 |
| Total key management benefit expenses | 853 | 769 | 534 | 496 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| <i>Balances with related parties</i> <i>At 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>Trade accounts receivable</i> | | | | |
| Associate | 13 | 12 | - | - |
| Joint ventures | 1 | 2 | - | - |
| Related companies | 329 | 631 | - | - |
| Total | 343 | 645 | - | - |
| <i>Less allowance for expected credit loss</i> | <i>(10)</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Net | 333 | 645 | - | - |
| Expected credit losses for the year | 10 | - | - | - |
| <i>Other current receivables</i> | | | | |
| Subsidiaries | - | - | 2,619 | 2,295 |
| Associate | 25 | 26 | - | - |
| Joint ventures | 56 | 21 | - | - |
| Related companies | 2,155 | 2,278 | 1,560 | 2,154 |
| Total | 2,236 | 2,325 | 4,179 | 4,449 |
| <i>Less allowance for expected credit loss</i> | <i>(2)</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Net | 2,234 | 2,325 | 4,179 | 4,449 |
| Expected credit losses for the year | 2 | - | - | - |
| <i>Short-term loans to subsidiaries</i> | | | | |

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | Separate financial statements | |
|---|--|--------------------|
| | 2022 | 2021 |
| | <i>(in million Baht)</i> | |
| At 1 January | 7,655 | 5,500 |
| Increases | 200 | 3,800 |
| Decreases | (700) | (1,770) |
| Unrealised gain on exchange | 74 | 125 |
| Total | 7,229 | 7,655 |
| <i>Less allowance for expected credit loss</i> | <i>-</i> | <i>-</i> |
| At 31 December | 7,229 | 7,655 |
| Interest rate at 31 December (% per annum) | 1.50 - 3.00 | 1.50 - 3.00 |
| Expected credit losses for the year | - | - |

As at 31 December 2022 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Balances with related parties

At 31 December

Consolidated financial statements

2022

2021

Separate

financial statements

2022

2021

(in million Baht)

Investments in related companies

True GS Co., Ltd.

138

199

138

199

ALL Now Management Co., Ltd.

959

494

512

260

EGG Digital Co., Ltd.

266

128

140

67

C.P. Venture Capital Co., Ltd.

205

-

205

-

Total

1,568

821

995

526

Other non-current assets

Subsidiaries

-

-

4

3

Related companies

36

2

35

-

Total

36

2

39

3

Trade accounts payable

Subsidiaries

-

-

2,892

2,505

Joint ventures

14

20

-

-

Related companies

10,774

9,491

4,256

3,524

Total

10,788

9,511

7,148

6,029

Other payables

Subsidiaries

-

-

7,359

7,131

Associate

1

-

-

-

Joint ventures

70

-

-

-

Related companies

1,921

775

140

134

Total

1,992

775

7,499

7,265

Short-term borrowings from subsidiaries

Movements during the years ended 31 December 2022 and 2021 were as follows:

Balances with related parties

At 31 December

Separate financial statements

2022

2021

(in million Baht)

At 1 January

1,400

-

Increases

60

1,400

Decreases

(1,400)

-

At 31 December

60

1,400

Interest rate at 31 December (% per annum)

1.00

3.00

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| <i>Balances with related parties</i> <i>At 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------|--|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>Lease liabilities</i> | | | | |
| Associate | 6,547 | 6,758 | - | - |
| Joint ventures | 20 | 21 | - | - |
| Related companies | 1,507 | 581 | - | - |
| Total | 8,074 | 7,360 | - | - |
| <i>Rental deposits from tenants</i> | | | | |
| Related companies | - | 7 | - | - |
| Total | - | 7 | - | - |

Significant agreements with related parties

As at 31 December 2022 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 2023. 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.
- 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.
- 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 3 years ending in December 2025. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

- (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 15.4 million, and placed guarantee deposits with the related company totaling Baht 32.1 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 September 2025.
- (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 2023. 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.
- (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 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

- (m) A local indirect subsidiary (Ek-Chai Distribution System Company Limited (“ECDS”)) has a service agreement with Egg Digital Co., Ltd., a related company. Under the terms of the agreement, the related company agrees to provide advertising and data analytics services to ECDS. In consideration thereof, ECDS agrees to pay a service fee to the related company and entitle to receive revenue sharing from advertising and data analytics services to ECDS’s business partner at the rate stipulated in the agreement. This agreement is effective for a period of 3 year and will expire in February 2025.

6 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Cash on hand | 14,141 | 14,891 | 9,195 | 9,282 |
| Cash at financial institutions | 45,019 | 81,017 | 11,800 | 10,175 |
| Highly liquid short-term investments | 12,264 | 415 | - | - |
| Total | 71,424 | 96,323 | 20,995 | 19,457 |

7 Trade accounts receivable and other current receivables

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|--------------|----------------------------------|------------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| Trade accounts receivable | | | | | |
| Related parties | | | | | |
| Within credit terms | | 241 | 467 | - | - |
| Overdue: | | | | | |
| Less than 3 months | | 84 | 148 | - | - |
| 3 - 6 months | | 9 | 16 | - | - |
| 6 - 12 months | | 5 | 5 | - | - |
| Over 12 months | | 4 | 9 | - | - |
| Total | | 343 | 645 | - | - |
| Less allowance for expected credit loss | | (10) | - | - | - |
| Net | 5 | 333 | 645 | - | - |
| Other parties | | | | | |
| Within credit terms | | 2,522 | 1,801 | 244 | 162 |
| Overdue: | | | | | |
| Less than 3 months | | 744 | 828 | - | - |
| 3 - 6 months | | 73 | 160 | - | - |
| 6 - 12 months | | 71 | 97 | - | - |
| Over 12 months | | 176 | 208 | - | - |
| Total | | 3,586 | 3,094 | 244 | 162 |
| Less allowance for expected credit loss | | (299) | (398) | - | - |
| Net | | 3,287 | 2,696 | 244 | 162 |
| Grand total | | 3,620 | 3,341 | 244 | 162 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| <i>Other current receivables</i> | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|---------------|--|--------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| <i>Related parties</i> | | | | | |
| Within credit terms | | 1,766 | 2,021 | 3,724 | 4,190 |
| Overdue: | | | | | |
| Less than 3 months | | 298 | 275 | 294 | 184 |
| 3 - 6 months | | 131 | 17 | 130 | 63 |
| 6 - 12 months | | 34 | 11 | 30 | 11 |
| Over 12 months | | 7 | 1 | 1 | 1 |
| Total | | 2,236 | 2,325 | 4,179 | 4,449 |
| Less allowance for expected credit loss | | (2) | - | - | - |
| Net | 5 | 2,234 | 2,325 | 4,179 | 4,449 |
| <i>Other parties</i> | | | | | |
| Within credit terms | | 11,689 | 10,332 | 4,568 | 3,523 |
| Overdue: | | | | | |
| Less than 3 months | | 1,049 | 928 | 947 | 800 |
| 3 - 6 months | | 32 | 105 | 8 | 9 |
| 6 - 12 months | | 13 | 64 | 3 | 3 |
| Over 12 months | | 89 | 81 | 18 | 18 |
| Total | | 12,872 | 11,510 | 5,544 | 4,353 |
| Less allowance for expected credit loss | | (94) | (90) | (24) | (19) |
| Net | | 12,778 | 11,420 | 5,520 | 4,334 |
| Grand Total | | 15,012 | 13,745 | 9,699 | 8,783 |

| <i>Allowance for expected credit loss</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|------------|--|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| At 1 January | 488 | 125 | 19 | 18 |
| Addition | 126 | 36 | 5 | 2 |
| Acquisition through business combination | - | 355 | - | - |
| Reversal | (136) | (67) | - | - |
| Write-off | (68) | (16) | - | (1) |
| Exchange differences on translating financial statements | (5) | 55 | - | - |
| At 31 December | 405 | 488 | 24 | 19 |

Information of credit risk is disclosed in note 32 (b.1) to the financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

8 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|---------------|----------------------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Finished goods | 58,791 | 51,623 | 18,223 | 16,536 |
| Work in progress | 153 | 130 | - | - |
| Raw materials | 832 | 667 | - | - |
| Goods in transit | 898 | 641 | - | - |
| Total | 60,674 | 53,061 | 18,223 | 16,536 |
| Less allowance for losses on decline in value of inventories | (2,491) | (2,526) | (216) | (220) |
| Net | 58,183 | 50,535 | 18,007 | 16,316 |

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 | |
|--|--------------------------------------|----------------|----------------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Cost of inventories | 639,380 | 436,190 | 257,799 | 210,765 |
| (Reversal of) allowance for losses on decline in value of inventories | (35) | 1,991 | 4 | - |
| Total | 639,345 | 438,181 | 257,803 | 210,765 |

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 2022 amounted to Baht 2,247 million (2021: Baht 2,341 million) in the consolidated financial statements, and Baht 2,244 million (2021: Baht 2,331 million) in the separate financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

9 Investments in associate and joint ventures

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|----------|----------------------------------|----------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | (in million Baht) | | | |
| Associate | | | | | |
| At 1 January | | 9,139 | 85,552 | - | 85,635 |
| Decrease | | - | (85,476) | - | (85,635) |
| Acquisition through business combination | 4 | - | 9,174 | - | - |
| Change in ownership interest in associate | | - | (66) | - | - |
| Add (Less) Share of gain (loss) of investment accounted for using equity method | | 362 | (328) | - | - |
| Add Share of other comprehensive income of investment accounted for using equity method | | - | 364 | - | - |
| Less Dividend income | | (448) | (81) | - | - |
| At 31 December | | 9,053 | 9,139 | - | - |
| Joint ventures | | | | | |
| At 1 January | | 4,876 | - | - | - |
| Acquisition through business combination | 4 | - | 4,774 | - | - |
| Add Share of profit of investment accounted for using equity method | | 469 | 102 | - | - |
| Less Dividend income | | (10) | - | - | - |
| At 31 December | | 5,335 | 4,876 | - | - |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Investments in associate and joint ventures as at 31 December 2022 and 2021, and dividend income for the years then ended were as follows:

| Name of parties | Type of business | Ownership interest | | Paid-up capital | | At cost | | Equity | | Dividend income for the year | |
|--|---|--------------------|-------|-----------------|--------|--------------|--------------|--------------|--------------|------------------------------|-----------|
| | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | (in million Baht) | | | | | | | | | |
| Indirect associate | | | | | | | | | | | |
| Lotus's Retail Growth | Real estate rental | 14.98 | 14.98 | 23,828 | 23,828 | 6,373 | 6,373 | 9,053 | 9,319 | 448 | 81 |
| Freehold and Leasehold Property Fund | | | | | | | | | | | |
| Total | | | | | | 6,373 | 6,373 | 9,053 | 9,319 | 448 | 81 |
| Indirect joint ventures | | | | | | | | | | | |
| Lotus's Money | Credit card services | 29.95 | 29.95 | 2,080 | 2,080 | 1,040 | 1,040 | 4,512 | 4,053 | - | - |
| Services Limited | | | | | | | | | | | |
| Retail Properties Co., Ltd. | Mall rental services and related utilities services | 29.95 | 29.95 | 210 | 210 | 248 | 248 | 504 | 504 | 10 | - |
| Synergistic Property Development Co., Ltd. | Property development | 29.94 | 29.94 | 465 | 465 | 256 | 256 | 319 | 319 | - | - |
| Total | | | | | | 1,544 | 1,544 | 5,335 | 4,876 | 10 | - |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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

Lotus's Retail Growth Freehold and Leasehold Property Fund is listed in the Stock Exchange of Thailand. The fair value of investment as at 30 December 2022 totaled Baht 7,421 million (2021: Baht 8,823 million).

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 | |
|--|-----------------------------|---------------------|----------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Carrying amount of interests in immaterial associate and joint ventures | <u>9,053</u> | <u>9,139</u> | <u>5,335</u> | <u>4,876</u> |
| Group's share of: | | | | |
| - Profit (loss) from continuing operations | 362 | (328) | 469 | 102 |
| - Other comprehensive income | - | 364 | - | - |
| - Total comprehensive income | <u>362</u> | <u>36</u> | <u>469</u> | <u>102</u> |

10 Investments in subsidiaries

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------|--|-----------------|--------------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| At 1 January | - | - | 281,357 | 201,010 |
| Increases | - | - | 813 | 86,818 |
| Decreases | - | - | (249) | (6,471) |
| At 31 December | <u>-</u> | <u>-</u> | <u>281,921</u> | <u>281,357</u> |

Details of the net increases and decreases in investments in subsidiaries during the years ended 31 December 2022 and 2021 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--|-----------------|--------------------------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| All Corporation Limited | - | - | 450 | - |
| Albuera International Limited | - | - | 363 | 185 |
| Siam Makro Public Company Limited | - | - | (249) | 80,164 |
| ALL Now Management Co., Ltd. | - | - | - | (2) |
| Total | <u>-</u> | <u>-</u> | <u>564</u> | <u>80,347</u> |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

All Corporation Limited

Additional investment

During the third quarter of 2022, a local direct subsidiary (All Corporation Limited) increased its authorised share capital of Baht 750 million; from Baht 250 million to Baht 1,000 million and collected from the called for additional paid-up share capital of Baht 450 million; from Baht 250 million to Baht 700 million.

Disposal of investment

During the third quarter of 2021, a local direct subsidiary (All Corporation Limited) disposed ordinary shares 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.).

Albuera International Limited

Additional investment

During the third quarter of 2022, a foreign subsidiary (Albuera International Limited) collected from the called for additional paid-up share capital of United States Dollars 10 million; from United States Dollar 10 million to United States Dollars 20 million.

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.

Siam Makro Public Company Limited

Disposal of investment

During the fourth quarter of 2022, the Company had partial disposal 6 million ordinary shares of the subsidiary at the price of Baht 38.75 per share, totaling Baht 233 million to a local direct subsidiary (Siam Makro Holding (Thailand) Limited) whilst retaining direct and indirect ownership interest as 59.92% and the Company had the loss on sale of investment in the separate financial statements of totaling Baht 16 million.

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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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.

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 ordinary shares 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.

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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Investments in subsidiaries as at 31 December 2022 and 2021, and dividend income for the years then ended were as follows:

| Name of parties | Type of business | Country of operation | Separate financial statements | | | | | | | |
|----------------------------------|--|----------------------|-------------------------------|-------|-----------------|------|---------|------|------------------------------|-------|
| | | | Ownership interests | | Paid-up capital | | At cost | | Dividend income for the year | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | <i>(in million Baht)</i> | | | | | | | |
| Local direct subsidiaries | | | | | | | | | | |
| Suksapiwat Co., Ltd. | Holding company | Thailand | 99.99 | 99.99 | 810 | 810 | 810 | 810 | 90 | 159 |
| 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 | 1,140 | 1,089 |
| All Corporation Limited | Holding company | Thailand | 99.99 | 99.99 | 700 | 250 | 700 | 250 | - | - |
| 24 Shopping Co., Ltd. | Distributor of catalog merchandises and e-commerce | Thailand | 99.99 | 99.99 | 30 | 30 | 30 | 30 | 480 | 540 |
| CP Retailink Co., Ltd. | Distributor of equipment for retailing and software development | Thailand | 99.99 | 99.99 | 20 | 20 | 20 | 20 | 500 | 400 |
| Gosoft (Thailand) Co., Ltd. | Information system design and development services | Thailand | 99.99 | 99.99 | 20 | 20 | 20 | 20 | 100 | 130 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| Name of parties | Type of business | Country of operation | Ownership interests | | Separate financial statement <i>(Continued)</i> | | | | Dividend income for the year | |
|---------------------------------------|--|----------------------|---------------------|-------|---|-------|----------------|----------------|------------------------------|--------------|
| | | | 2022 | 2021 | Paid-up capital | | At cost | | 2022 | 2021 |
| | | | | | 2022 | 2021 | 2022 | 2021 | | |
| <i>(in million Baht)</i> | | | | | | | | | | |
| | | | (%) | | | | | | | |
| OHT Co., Ltd. | Holding company | Thailand | 99.99 | 99.99 | 12 | 12 | 57,754 | 57,754 | 495 | 1,345 |
| ALL Now Management Co., Ltd. | Logistics and distribution of merchandises services | Thailand | - | - | - | - | - | - | - | 130 |
| All Training Co., Ltd. | Training center | Thailand | 99.99 | 99.99 | 1 | 1 | 1 | 1 | 80 | 100 |
| 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 | 20 |
| Panyatara Co., Ltd. | Training center | Thailand | 99.99 | 99.99 | 1 | 1 | 1 | 1 | 40 | 30 |
| Thai Smart Card Co., Ltd. | Smart purse card services | Thailand | 99.99 | 99.99 | 1,600 | 1,600 | 1,939 | 1,939 | 110 | - |
| Siam Makro Holding (Thailand) Limited | Holding company | Thailand | 49.00 | 49.00 | 1,066 | 1,066 | 55,490 | 55,490 | 475 | 1,293 |
| Siam Makro Public Company Limited | Wholesale | Thailand | 34.91 | 34.97 | 5,290 | 5,290 | 153,118 | 153,367 | 1,850 | 1,828 |
| Total | | | | | | | 270,751 | 270,550 | 5,380 | 7,064 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| Name of parties | Type of business | Country of operation | Ownership interests | | Separate financial statements <i>(Continued)</i> | | | | Dividend income for the year | |
|---|------------------|------------------------|---------------------|--------|--|-----|----------------|----------------|------------------------------|--------------|
| | | | 2022 | 2021 | Paid-up capital | | At cost | | 2022 | 2021 |
| | | | | | | | | | | |
| <i>(in million United States Dollars)</i> | | | | | | | | | | |
| <i>(in million Baht)</i> | | | | | | | | | | |
| <i>Foreign direct subsidiaries</i> | | | | | | | | | | |
| Lotus Distribution Investment Limited | Holding company | British Virgin Islands | 100.00 | 100.00 | 310 | 310 | 10,497 | 10,497 | - | - |
| Albuera International Limited | Holding company | British Virgin Islands | 100.00 | 100.00 | 20 | 10 | 673 | 310 | - | - |
| Total | | | | | | | 11,170 | 10,807 | - | - |
| Grand total | | | | | | | 281,921 | 281,357 | 5,380 | 7,064 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Details of the Company's indirect subsidiaries as at 31 December 2022 and 2021 were as follows:

| Name of parties | Type of business | Country of operation | Ownership interests 2022 2021 (%) | |
|--|--|----------------------|--|-------|
| <i>Local indirect subsidiaries</i> | | | | |
| <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 |
| ALL SPEEDY CO., LTD. | Logistics and distribution of merchandises services. | Thailand | 45.45 | - |
| <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 | 59.91 |
| ProMart Co., Ltd. | Trading of non-food products | Thailand | 59.91 | 59.91 |
| 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 | 59.91 |
| C.P. Retail Development Company Limited | Retail business and mall | Thailand | 59.91 | 59.91 |
| Lotus’s Stores (Thailand) Co., Ltd. | Retail business | Thailand | 59.90 | 59.90 |
| Ek-Chai Distribution System Co., Ltd. | Retail business and related business | Thailand | 59.90 | 59.90 |
| Lotus’s Mobile (Thailand) Co., Ltd. | Telecommunication business | Thailand | 59.89 | 59.89 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Name of parties | Type of business | Country of operation | Ownership interests | |
|--|---|---|---------------------|--------|
| | | | 2022 | 2021 |
| | | | (%) | |
| Local indirect subsidiaries (continued) | | | | |
| - Investment through OHT Co., Ltd. | | | | |
| Siam Makro Holding (Thailand) Limited | Holding company | Thailand | 50.99 | 50.99 |
| Siam Makro Public Company Limited | Wholesale | Thailand | 25.01 | 24.95 |
| 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 |
| 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 |
| - Investment through All Corporation Limited | | | | |
| ALL CONVENIENCE SERVICES CO., LTD. | Logistics and distribution of merchandises services | Cambodia | 99.99 | 99.99 |
| ALL IM-EX AND PROSERVICE CO., LTD. | Production of ready meal, importing and trading of equipment and providing maintenance service of convenience stores’ equipment | Cambodia | 99.99 | - |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Name of parties | Type of business | Country of operation | Ownership interests | |
|---|--|---|---------------------|-------|
| | | | 2022 | 2021 |
| (%) | | | | |
| - Investment through Siam Makro Public Company Limited | | | | |
| Indoguna Vina Food Service Company Limited | Trading and distribution, and import and export Food products | Vietnam | 59.92 | 59.92 |
| ARO Commercial Company Limited | Wholesale and retail operator and related business | Republic of the Union of Myanmar | 59.91 | 59.91 |
| ARO Company Limited | Providing marketing and consulting services | Republic of the Union of Myanmar | 59.91 | 59.91 |
| Indoguna (Cambodia) Company Limited | Importing and trading of food related products | Cambodia | 59.91 | 59.91 |
| CP Wholesale India Private Limited | Wholesale and related business | India | 59.90 | 59.90 |
| Makro (Guangzhou) Food Company Limited | Wholesale and retail operator and related business | The People’s Republic of China | 59.90 | 59.90 |
| Guangzhou Huadu Makro Food Supermarket Company Limited | Wholesale and retail operator and related business | The People’s Republic of China | 59.90 | 59.90 |
| Indoguna (Singapore) Pte Ltd | Manufacturing, trading, importing and exporting of food related products | Singapore | 47.93 | 47.93 |
| Indoguna Dubai L.L.C | Importing and trading of food related products | United Arab Emirates | 47.93 | 47.93 |
| 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 | 47.93 |
| 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 | 47.93 |
| MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C | Restaurant and minimart | United Arab Emirates | 47.93 | 47.93 |
| Makro (Cambodia) Company Limited | Wholesale and retail operator and related business | Cambodia | 41.94 | 41.94 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Name of parties | Type of business | Country of operation | Ownership interests | |
|---|--------------------------------------|----------------------|---------------------|-------|
| | | | 2022 | 2021 |
| | | | (%) | |
| - Investment through Siam Makro Public Company Limited (Continued) | | | | |
| Lotuss Stores (Malaysia) Sdn. Bhd. | Retail business and related business | Malaysia | 59.91 | 59.91 |

11 Non-controlling interests

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

| | 31 December 2022 | | |
|---|--|---|----------------|
| | Siam Makro Public Company Limited | ALL GUARDIAN CO., LTD. (in million Baht) | Total |
| Non-controlling interests percentages | 40.08 | 35.01 | |
| Current assets | 87,355 | 228 | |
| Non-current assets | 461,288 | 17 | |
| Current liabilities | (90,763) | (237) | |
| Non-current liabilities | (166,949) | (3) | |
| Net assets | 290,931 | 5 | |
| Carrying amount of non-controlling interests | 189,575* | 2 | 189,577 |
| Revenue | 469,131 | 231 | |
| Profit (loss) | 7,682 | (197) | |
| Other comprehensive income | (46) | - | |
| Total comprehensive income (loss) | 7,636 | (197) | |
| Profit (loss) allocated to non-controlling interests | 3,018* | (69) | 2,949 |
| Other comprehensive income allocated to non-controlling interests | (13)* | - | (13) |
| Cash flows from operating activities | 22,014 | (96) | |
| Cash flows from investing activities | (17,164) | (2) | |
| Cash flows from financing activities | (30,834) | 129 | |
| Dividends paid to non-controlling interests | (2,120) | - | |
| Exchange differences on translating financial statements | (322) | - | |
| Net increase (decrease) in cash and cash equivalents | (28,426) | 31 | |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| | 31 December 2021 | | |
|---|--|---|----------------|
| | Siam Makro Public Company Limited | ALL GUARDIAN CO., LTD. (in million Baht) | Total |
| Non-controlling interests percentages | 40.08 | 35.01 | |
| Current assets | 110,000 | 254 | |
| Non-current assets | 459,490 | 17 | |
| Current liabilities | (118,395) | (67) | |
| Non-current liabilities | (162,597) | (1) | |
| Net assets | 288,498 | 203 | |
| Carrying amount of non-controlling interests | 188,602* | 71 | 188,673 |
| Revenue | 266,367 | 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 | 16,769 | (184) | |
| Cash flows from investing activities | 14,966 | (16) | |
| Cash flows from financing activities | 26,792 | - | |
| Dividends paid to non-controlling interests | (332) | - | |
| Exchange differences on translating financial statements | (149) | - | |
| Net increase (decrease) in cash and cash equivalents | 58,046 | (200) | |

* The carrying amount of non-controlling interests included non-controlling interests of certain 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 2022

12 Investment properties

| Consolidated financial statements | | | | | |
|---|-------------|--|---|---------------------------------|----------------|
| | | Buildings, building improvements and right-of-use asset improvements | Right-of-use assets (in million Baht) | Assets under construction | Total |
| | <i>Note</i> | Land | | | |
| Cost | | | | | |
| At 1 January 2021 | | 348 | - | - | 348 |
| Additions | | 10 | 56 | - | 66 |
| Acquisition through business combination | 4 | 14,068 | 28,699 | 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 | | (8) | (17) | (4) | (29) |
| At 31 December 2021 and 1 January 2022 | | 12,883 | 24,778 | 8,575 | 46,236 |
| Additions | | 34 | 30 | 239 | 1,503 |
| Transfers | | - | 984 | - | (984) |
| Reclassification | | 352 | (1,061) | 139 | (570) |
| Disposals and write-off | | - | (62) | (1) | (63) |
| Lease modification | | - | - | 41 | 41 |
| Exchange differences on translating financial statements | | (75) | (177) | (52) | (304) |
| At 31 December 2022 | | 13,194 | 24,492 | 8,941 | 46,843 |
| Accumulated depreciation and accumulated impairment losses | | | | | |
| At 1 January 2021 | | (15) | - | - | (15) |
| Depreciation charge for the year | | - | (661) | (88) | (749) |
| Reversal of impairment losses | | - | 1 | - | 1 |
| Disposals and write-off | | - | 18 | 1 | 19 |
| Exchange differences on translating financial statements | | - | (3) | - | (3) |
| At 31 December 2021 and 1 January 2022 | | (15) | (645) | (87) | (747) |
| Depreciation charge for the year | | - | (1,543) | (541) | (2,084) |
| Impairment losses | | - | (2) | - | (2) |
| Reclassification | | - | 93 | (9) | 84 |
| Disposals and write-off | | - | 44 | 1 | 45 |
| Lease modification | | - | - | (18) | (18) |
| Exchange differences on translating financial statements | | - | 5 | 4 | 9 |
| At 31 December 2022 | | (15) | (2,048) | (650) | (2,713) |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Consolidated financial statements | | | | | |
|---|------|--|------------------------|---------------------------------|--------|
| | | Buildings, building improvements and right-of-use asset improvements | Right-of-use assets | Assets under construction | Total |
| | Note | Land | (in million Baht) | | |
| Net book value | | | | | |
| At 1 January 2021 | | 333 | - | - | 333 |
| At 31 December 2021 and 1 January 2022 | | 12,868 | 24,133 | 8,488 | 45,489 |
| At 31 December 2022 | | 13,179 | 22,444 | 8,291 | 44,130 |

The gross amount of the Group's fully depreciated investment properties that were still in use as at 31 December 2022 amounted to Baht 100 million (2021 : Baht 2 million) in the consolidated financial statements.

The fair value of investment properties as at 31 December 2022 of Baht 45,486 million (2021: Baht 46,051 million) in the consolidated financial statements, was determined by independent professional valuers. The fair value of investment property has been categorized as level 3 fair value.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

13 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 2021 | | 43,219 | 60,144 | 59,085 | 10,634 | 8,443 | 11,087 | 192,612 |
| 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 and 1 January 2022 | | 67,041 | 115,090 | 62,681 | 26,406 | 8,408 | 12,555 | 292,181 |
| Additions | | 690 | 586 | 5,570 | 5,050 | 10,997 | 323 | 23,216 |
| Transfers | | - | 7,410 | 1,539 | 908 | (10,694) | 837 | - |
| Reclassification | | (353) | 1,060 | 25 | (1) | (287) | - | 444 |
| Disposals | | - | (1,368) | (2,486) | (2,763) | (109) | (271) | (6,997) |
| Exchange differences on translating financial statements | | (229) | (591) | (31) | (228) | (194) | (9) | (1,282) |
| At 31 December 2022 | | 67,149 | 122,187 | 67,298 | 29,372 | 8,121 | 13,435 | 307,562 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Consolidated financial statements (Continued) | | | | | | |
|---|------|------|--|-------------------------------|--|---|
| | Note | Land | Buildings, building improvements and right-of-use asset improvements | Machinery and equipment | Furniture, fixtures and office equipment (in million Baht) | Assets under construction and installation |
| | | | | | | Other |
| | | | | | | Total |
| <i>Accumulated depreciation and accumulated impairment losses</i> | | | | | | |
| At 1 January 2021 | - | - | (21,590) | (37,868) | (6,841) | - |
| Depreciation charge for the year | - | - | (3,049) | (5,991) | (2,315) | - |
| Impairment losses, net | - | - | (89) | (1) | 10 | - |
| Disposals | - | - | 415 | 1,674 | 1,792 | 126 |
| Exchange differences on translating financial statements | - | - | 321 | (45) | (23) | (7) |
| At 31 December 2021 | | | | | | |
| At 31 December 2021 | - | - | (23,992) | (42,231) | (7,377) | - |
| Depreciation charge for the year | - | - | (6,147) | (6,130) | (6,135) | - |
| Reclassification | - | - | (93) | - | - | - |
| Impairment losses, net | - | - | (3) | - | (67) | (25) |
| Disposals | - | - | 1,122 | 2,374 | 2,557 | 235 |
| Exchange differences on translating financial statements | - | - | 11 | 12 | 12 | 6 |
| At 31 December 2022 | | | | | | |
| At 31 December 2022 | - | - | (29,102) | (45,975) | (11,010) | (8,040) |
| | | | | | | 41 |
| | | | | | | (94,152) |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| 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>Net book value</i> | | | | | | |
| At 1 January 2021 | | 43,219 | 21,217 | 3,793 | 8,443 | 120,177 |
| At 31 December 2021 | | | | | | |
| and 1 January 2022 | | 67,041 | 20,450 | 19,029 | 8,408 | 211,533 |
| At 31 December 2022 | | 67,149 | 21,323 | 18,362 | 8,096 | 213,410 |

Security

As at 31 December 2022, the Group's property, plant and equipment with total net book value of Baht 13,906 million (2021: Baht 14,756 million) were pledged under long-term borrowings from financial institution.

For the year ended 31 December 2022

Accumulated depreciation and accumulated impairment losses

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| Separate financial statements (Continued) | | | | | | |
|--|-------|--|-------------------------------|---|---|--------|
| | 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 | Total |
| <i>Net book value</i> | | | | | | |
| At 1 January 2021 | 4,138 | 17,372 | 9,529 | 3,143 | 2,131 | 39,047 |
| At 31 December 2021 | 4,162 | 19,930 | 9,518 | 3,128 | 980 | 40,782 |
| and 1 January 2022 | | | | | | |
| At 31 December 2022 | 4,162 | 21,667 | 10,389 | 3,329 | 719 | 43,454 |

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 2022 amounted to Baht 38,134 million (2021: Baht 35,923 million) in the consolidated financial statements and Baht 25,104 million (2021: Baht 21,754 million) in the separate financial statements.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

14 Right-of-use assets

| | <i>Note</i> | Land | Buildings | Consolidated financial statements (in million Baht) | | | |
|--|-------------|---------------|---------------|--|---|--------------|----------------|
| | | | | Machinery and equipment | Furniture, fixtures and office equipment | Vehicles | Total |
| Cost | | | | | | | |
| At 1 January 2021 | | 23,830 | 38,005 | 1,810 | 348 | 429 | 64,422 |
| Additions | | 3,837 | 6,197 | 595 | 24 | 151 | 10,804 |
| Acquisition through business combination | | | | | | | |
| Disposals | 4 | 13,024 | 12,063 | 126 | 471 | 344 | 26,028 |
| Lease modification | | (1,072) | (3,590) | (58) | (2) | (49) | (4,771) |
| Exchange differences on translating financial statements | | - | 359 | 1 | - | 68 | 428 |
| At 31 December 2021 | | 193 | 103 | 2 | - | 4 | 302 |
| and 1 January 2022 | | | | | | | |
| Additions | | 39,812 | 53,137 | 2,476 | 841 | 947 | 97,213 |
| Reclassification | | 9,682 | 10,442 | 874 | 309 | 311 | 21,618 |
| Disposals | | (464) | (69) | 539 | (146) | 1 | (139) |
| Lease modification | | (919) | (6,546) | (82) | (22) | (60) | (7,629) |
| Exchange differences on translating financial statements | | (170) | (1,172) | 4 | (3) | (51) | (1,392) |
| At 31 December 2022 | | (91) | (105) | 1 | (12) | 1 | (206) |
| | | 47,850 | 55,687 | 3,812 | 967 | 1,149 | 109,465 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Consolidated financial statements <i>(Continued)</i> | | | | | | | |
|--|-------------|----------------|-----------------|-------------------------------|---|--------------|-----------------|
| | | Land | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Vehicles | Total |
| | <i>Note</i> | | | | <i>(in million Baht)</i> | | |
| <i>Accumulated depreciation and accumulated impairment losses</i> | | | | | | | |
| At 1 January 2021 | | (3,176) | (7,368) | (673) | (203) | (103) | (11,523) |
| Depreciation charge for the year | | (2,580) | (7,486) | (209) | (24) | (162) | (10,461) |
| Impairment losses | | (36) | (44) | - | - | - | (80) |
| Disposals | | 213 | 1,848 | 58 | 1 | 47 | 2,167 |
| Lease modification | | - | (13) | - | - | - | (13) |
| Exchange differences on translating financial statements | | (17) | (17) | (1) | - | (2) | (37) |
| At 31 December 2021 | | | | | | | |
| and 1 January 2022 | | (5,596) | (13,080) | (825) | (226) | (220) | (19,947) |
| Depreciation charge for the year | | (3,997) | (8,391) | (281) | (51) | (316) | (13,036) |
| Reclassification | | 10 | (1) | - | - | - | 9 |
| Reversal of impairment losses | | - | 12 | - | - | - | 12 |
| Disposals | | 434 | 4,953 | 82 | 21 | 59 | 5,549 |
| Lease modification | | (18) | 131 | 5 | 3 | 50 | 171 |
| Exchange differences on translating financial statements | | 10 | 15 | (1) | - | (1) | 23 |
| At 31 December 2022 | | (9,157) | (16,361) | (1,020) | (253) | (428) | (27,219) |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| 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 2021 | | 20,654 | 30,637 | 1,137 | 145 | 326 | 52,899 |
| At 31 December 2021 and 1 January 2022 | | 34,216 | 40,057 | 1,651 | 615 | 727 | 77,266 |
| At 31 December 2022 | | 38,693 | 39,326 | 2,792 | 714 | 721 | 82,246 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| | Separate financial statements | | | |
|---|-------------------------------|-----------------|-------------------------------|-----------------|
| | Land | Building | Machinery and equipment | Total |
| | <i>(in million Baht)</i> | | | |
| Cost | | | | |
| 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 and 1 January 2022 | 16,761 | 36,889 | 157 | 53,807 |
| Additions | 7,417 | 8,639 | - | 16,056 |
| Disposals | (757) | (5,790) | - | (6,547) |
| Lease Modification | (192) | (623) | - | (815) |
| At 31 December 2022 | 23,229 | 39,115 | 157 | 62,501 |
| Accumulated depreciation | | | | |
| 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 and 1 January 2022 | (3,456) | (11,621) | (3) | (15,080) |
| Depreciation charge for the year | (2,258) | (6,257) | (12) | (8,527) |
| Disposals | 353 | 4,313 | - | 4,666 |
| At 31 December 2022 | (5,361) | (13,565) | (15) | (18,941) |
| Net book value | | | | |
| At 1 January 2021 | 12,959 | 28,052 | - | 41,011 |
| At 31 December 2021 and 1 January 2022 | 13,305 | 25,268 | 154 | 38,727 |
| At 31 December 2022 | 17,868 | 25,550 | 142 | 43,560 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

15 Goodwill

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|----------------|----------------------------------|----------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| At 1 January | | 360,641 | 128,096 | - | - |
| Acquisition through business combination | 4 | - | 232,545 | - | - |
| At 31 December | | 360,641 | 360,641 | - | - |

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 | |
|---|--------------------------------------|----------------|----------------------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| C.P. Retail Development Company Limited and its subsidiaries (“Lotus’s Group”) | 232,545 | 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 | 360,641 | - | - |

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

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the going concern and the continuing use of assets of (1) Lotus’s group (2) Siam Makro Public Company Limited and (3) Indoguna Group of companies.

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

Discount rate

The discount rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of 10-year government bond, market risk premium and average industry beta which ranging from 6% to 7%.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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”) at the rate of 3%.

Budgeted EBITDA

Budgeted EBITDA were 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 sale growth.

Management has identified that a reasonably possible change in three key assumptions, discount rate, terminal value growth rate and budgeted revenue growth rate, could cause the carrying amount exceed the recoverable amount. This following table shows the amount by which there three assumptions would need to change individually for the estimated the recoverable amount to be equal to the carrying amount.

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|------|-----------------------------------|------|-----------------------------|------|
| | Lotus's group | | Siam Makro Public Company Limited | | Indoguna group of companies | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <i>Increase (decrease) rate</i> | | | | (%) | | |
| Discount rate | 1 | - | 3 | 3 | 3 | 2 |
| Terminal value growth rate | (1) | - | (5) | (5) | (4) | (3) |
| Revenue growth rate | (7) | - | (8) | (6) | (12) | (5) |

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

16 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 2021 | | 8,041 | 46,521 | 2,199 | 56,761 |
| 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 and 1 January 2022 | | 14,201 | 46,521 | 3,414 | 64,136 |
| Additions | | 4,328 | - | 1 | 4,329 |
| Transfers | | (1) | - | 1 | - |
| Reclassification | | 243 | - | - | 243 |
| Disposals | | (36) | - | - | (36) |
| Exchange differences on translating financial statements | | (26) | - | (58) | (84) |
| At 31 December 2022 | | 18,709 | 46,521 | 3,358 | 68,588 |
| Accumulated amortisation and accumulated impairment losses | | | | | |
| At 1 January 2021 | | (3,892) | - | (1,163) | (5,055) |
| Amortisation charge for the year | | (863) | - | (28) | (891) |
| Impairment losses | | 8 | (7,167) | - | (7,159) |
| Disposals | | 87 | - | - | 87 |
| Exchange differences on translating financial statements | | (3) | - | - | (3) |
| At 31 December 2021 and 1 January 2022 | | (4,663) | (7,167) | (1,191) | (13,021) |
| Amortisation charge for the year | | (1,655) | - | (124) | (1,779) |
| Impairment losses | | (3) | - | 1 | (2) |
| Disposals | | 4 | - | - | 4 |
| Exchange differences on translating financial statements | | 13 | - | - | 13 |
| At 31 December 2022 | | (6,304) | (7,167) | (1,314) | (14,785) |
| Net book value | | | | | |
| At 1 January 2021 | | 4,149 | 46,521 | 1,036 | 51,706 |
| At 31 December 2021 and 1 January 2022 | | 9,538 | 39,354 | 2,223 | 51,115 |
| At 31 December 2022 | | 12,405 | 39,354 | 2,044 | 53,803 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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 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 2021 | 3,924 |
| Additions | 843 |
| Disposals | (178) |
| At 31 December 2021 and 1 January 2022 | 4,589 |
| Additions | 509 |
| Disposals | (24) |
| At 31 December 2022 | 5,074 |
| Accumulated amortisation | |
| At 1 January 2021 | (1,950) |
| Amortisation charge for the year | (329) |
| Disposals | 1 |
| At 31 December 2021 and 1 January 2022 | (2,278) |
| Amortisation charge for the year | (414) |
| Disposals | 1 |
| At 31 December 2022 | (2,691) |
| Net book value | |
| At 1 January 2021 | 1,974 |
| At 31 December 2021 and 1 January 2022 | 2,311 |
| At 31 December 2022 | 2,383 |

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 2022 amounted to Baht 2,369 million (2021: Baht 1,856 million) in the consolidated financial statements and Baht 1,246 million (2021: Baht 1,055 million) in the separate financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

17 Interest-bearing liabilities

| Consolidated financial statements | | | | | | |
|---|--------------------------|----------------|----------------|---------------|----------------|----------------|
| | 2022 | | | 2021 | | |
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| | <i>(in million Baht)</i> | | | | | |
| Short-term borrowings from financial institutions | | | | | | |
| Liabilities under trust receipts | - | 1,624 | 1,624 | - | 915 | 915 |
| Short-term borrowings | - | 15,186 | 15,186 | 28,283 | 13,493 | 41,776 |
| Short-term borrowings from other party | - | 46 | 46 | - | - | - |
| Debentures | 40,865 | 206,396 | 247,261 | 40,857 | 181,492 | 222,349 |
| Long-term borrowings from financial institutions | 18,894 | 68,808 | 87,702 | 19,679 | 89,018 | 108,697 |
| Lease liabilities | 337 | 94,726 | 95,063 | - | 88,540 | 88,540 |
| Total interest-bearing liabilities | 60,096 | 386,786 | 446,882 | 88,819 | 373,458 | 462,277 |

| Separate financial statements | | | | | | |
|---|--------------------------|----------------|----------------|---------------|----------------|----------------|
| | 2022 | | | 2021 | | |
| Note | Secured | Unsecured | Total | Secured | Unsecured | Total |
| | <i>(in million Baht)</i> | | | | | |
| Short-term borrowings from financial institutions | - | 15,173 | 15,173 | - | 13,493 | 13,493 |
| Short-term borrowings from subsidiaries | 5 | 60 | 60 | - | 1,400 | 1,400 |
| Debentures | 40,865 | 182,931 | 223,796 | 40,857 | 181,492 | 222,349 |
| Lease liabilities | - | 45,861 | 45,861 | - | 40,118 | 40,118 |
| Total interest-bearing liabilities | 40,865 | 244,025 | 284,890 | 40,857 | 236,503 | 277,360 |

Unutilised credit facilities

As at 31 December 2022 the Group had unutilized credit facilities totaling Baht 26,237 million, Malaysian Ringgit 341 million, Indian Rupee 226 million, Singapore Dollar 11 million, United Arab Emirates Dirham 5 million and United States Dollar 1 million (2021: Baht 27,576 million, Malaysian Ringgit 131 million, Indian Rupee 205 million, Singapore Dollar 13 million, United Arab Emirates Dirham 5 million and United States Dollar 154 million).

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | | Consolidated | | Separate | |
|---|------|----------------------|----------------|----------------------|----------------|
| | | financial statements | | financial statements | |
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | (in million Baht) | | | |
| Short-term borrowings from financial institutions | | | | | |
| At 1 January | | 42,691 | 1,050 | 13,493 | - |
| (Decreases) increases | | (26,104) | 13,272 | 1,608 | 13,428 |
| Acquisition through business combination | 4 | - | 28,220 | - | - |
| Interest paid calculated using effective interest rate method | | 230 | 117 | 72 | 65 |
| Unrealised (gain) loss on exchange | | (11) | 12 | - | - |
| Exchange differences on translating financial statements | | 4 | 20 | - | - |
| At 31 December | | 16,810 | 42,691 | 15,173 | 13,493 |
| Short-term borrowings from other party | | | | | |
| At 1 January | | - | 6 | - | - |
| Increases (decreases) | | 46 | (6) | - | - |
| At 31 December | | 46 | - | - | - |
| Debentures | | | | | |
| At 1 January | | 222,349 | 152,996 | 222,349 | 152,996 |
| Increases, net of bond issuance cost | | 47,870 | 87,823 | 24,407 | 87,823 |
| Decreases | | (23,000) | (18,502) | (23,000) | (18,502) |
| Interest paid calculated using effective interest rate method | | 42 | 32 | 40 | 32 |
| At 31 December | | 247,261 | 222,349 | 223,796 | 222,349 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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

| Balances at 31 December 2022 | | | | | | | |
|----------------------------------|-------------------------|-------------------------------------|--|----------------------------|-----------------------------|-----------------------------|----------------------|
| Debentures no. | Date | Approved limit (in million Baht) | Objective | Debentures term (years) | Amount (in million Baht) | Fixed rate (% per annum) | Fully repayable date |
| Debentures of the Company | | | | | | | |
| 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 | | | | | | | |
| 1/2016 | 18 March 2016 | 7,000 | Repayment of borrowings | 7 | 937 | 3.40 | 18 March 2023 |
| | | | | 10 | 2,074 | 4.00 | 18 March 2026 |
| | | | | 12 | 2,607 | 4.15 | 18 March 2028 |
| 2/2016 | 26 August 2016 | 12,000 | Repayment of borrowings | 7 | 500 | 3.25 | 26 August 2023 |
| | | | | 10 | 748 | 3.68 | 26 August 2026 |
| | | | | 12 | 4,851 | 4.00 | 26 August 2028 |
| 1/2017 | 27 March 2017 | 4,500 | Repayment of borrowings | 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 | 10 | 9,000 | 3.50 | 15 November 2027 |
| 1/2019 | 18 January 2019 | 15,000 | Repayment of matured debentures and/or for working capital | 8 | 2,466 | 3.95 | 18 January 2027 |
| | | | | 10 | 1,920 | 4.12 | 18 January 2029 |
| | | | | 12 | 5,614 | 4.40 | 18 January 2031 |
| 1/2020 | 13 May 2020 | 7,500 | Repayment of matured debentures and/or for working capital | 7 | 1,699 | 2.90 | 13 May 2027 |
| | | | | 10 | 2,169 | 3.29 | 13 May 2030 |
| | | | | 12 | 3,632 | 3.59 | 13 May 2032 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| Balances at 31 December 2022 | | | | | | | | Fully repayable date |
|---|-------------------|-------------------------------------|--|---|---|--|--|----------------------|
| Debtures no. | Date | Approved limit (in million Baht) | Objective | Debentures term (years) | Amount (in million Baht) | Fixed rate (% per annum) | | |
| <i>Unsecured debentures (Continued)</i> | | | | | | | | |
| 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 | 1.90 | 18 March 2023 | |
| | | | | | 13,200 | 3.00 | 30 June 2025 | |
| | | | | | 2,350 | 3.40 | 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 | |
| 1/2022 | 27 May 2022 | 8,000 | Repayment of matured debentures and for working capital | 5 | 8,000 | 3.25 | 27 May 2027 | |
| 2/2022 | 22 August 2022 | 9,739 | Early redeem perpetual subordinated debentures no. 1/2017 | 7 | 9,739 | 3.80 | 22 August 2029 | |
| 3/2022 | 22 August 2022 | 4,834 | Repayment of matured debentures | 5 10 | 2,548 900 | 3.40 3.92 | 22 August 2027 22 August 2032 | |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| Debentures no. | Date | Approved limit (in million Baht) | Objective | Balances at 31 December 2022 | | | |
|---|-----------------|-------------------------------------|---|------------------------------|-----------------------------|-----------------------------|----------------------|
| | | | | Debentures term (years) | Amount (in million Baht) | Fixed rate (% per annum) | Fully repayable date |
| | | | | 15 | 1,386 | 4.64 | 22 August 2037 |
| Unsecured debentures (Continued) | | | | | | | |
| 4/2022 | 6 December 2022 | 1,000 | For working capital | 3 years 5 days | 1,000 | 3.10 | 11 December 2025 |
| 5/2022 | 9 December 2022 | 1,000 | For working capital | 2 years 1 month 12 days | 1,000 | 2.12 | 21 January 2024 |
| Debentures of local subsidiaries | | | | | | | |
| Unsecured debentures | | | | | | | |
| 1/2022 | 20 October 2022 | 23,493 | Repayment of borrowings from financial institutions | 1.5 | 9,848 | 2.81 | 20 April 2024 |
| | | | | 3 | 8,534 | 3.25 | 20 October 2025 |
| | | | | 5 | 1,180 | 3.55 | 20 October 2027 |
| | | | | 7 | 3,931 | 4.00 | 20 October 2029 |

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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+” latest updated by TRIS Rating Co., Ltd. on 24 January 2023 for the Company and 18 November 2022 for its subsidiary.

The Group and 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 2022, 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 41,908 million.

Long-term borrowings from financial institutions

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|-------------------|----------------------------------|----------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | | (in million Baht) | | |
| At 1 January | | 108,697 | 88,332 | - | 79,620 |
| Increases | | 2,365 | 5,000 | - | - |
| Acquisition through business combination | 4 | - | 100,093 | - | - |
| Decreases | | (24,636) | (89,187) | - | (83,819) |
| Interest paid calculated using effective interest rate method | | 626 | 1,736 | - | 1,668 |
| Realised loss on exchange | | 1,169 | 2,531 | - | 2,531 |
| Exchange differences on translating financial statements | | (519) | 192 | - | - |
| At 31 December | | 87,702 | 108,697 | - | - |

At 31 December 2022, the Group had long-term borrowings agreements with some local branch of foreign financial institutions and local financial institutions. 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 2024 |
| The second agreement | Baht 2,000 million | Fixed interest rate as stipulated in the agreement | Entire principal of borrowing in November 2024 |
| The third agreement | Baht 1,000 million | Fixed interest rate as stipulated in the agreement | Entire principal of borrowing in December 2024 |
| The fourth agreement | Baht 1,000 million | Fixed interest rate as stipulated in the agreement | Entire principal of borrowing in January 2025 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Borrowing agreement | Approved credit facilities | Interest rate (% per annum) | Term of payment |
|-----------------------|---|---|---|
| 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 85,978 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 17,759 million) | Variable interest rate as stipulated in the agreement | Installment until October 2026 |
| The eighth agreement | China Renminbi 450 million (or equivalent to Baht 2,203 million) | Floating interest rate as stipulated in the agreement | Semi-annually installment due to May 2026 |

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 subsidiary as stipulated in the agreements, etc.

Lease liabilities

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|---------------|----------------------------------|---------------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| At 1 January | | 88,540 | 50,583 | 40,118 | 42,018 |
| Purchase of assets under lease liabilities | | 21,122 | 9,463 | 15,749 | 8,034 |
| Acquisition through business combination | 4 | - | 38,889 | - | - |
| Payment of lease liabilities | | (13,854) | (9,854) | (8,139) | (7,745) |
| Differences on a granted rent concession | | (166) | (578) | (166) | (578) |
| Write-off | | (2,434) | (2,160) | (2,024) | (2,592) |
| Finance costs under lease | | 3,027 | 1,622 | 1,138 | 981 |
| Lease modification | | (1,223) | 721 | (815) | - |
| Exchange differences on translating financial statements | | 51 | (146) | - | - |
| At 31 December | | 95,063 | 88,540 | 45,861 | 40,118 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

18 Trade accounts payable

| | | Consolidated | | Separate | |
|-----------------|-------------|-----------------------------|----------------|-----------------------------|---------------|
| | | financial statements | | financial statements | |
| | <i>Note</i> | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 5 | 10,788 | 9,511 | 7,148 | 6,029 |
| Other parties | | 105,175 | 97,352 | 38,850 | 32,672 |
| Total | | 115,963 | 106,863 | 45,998 | 38,701 |

19 Other payables

| | | Consolidated | | Separate | |
|--|--|-----------------------------|---------------|-----------------------------|---------------|
| | | financial statements | | financial statements | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| Other payables | | 13,106 | 15,392 | 8,342 | 8,104 |
| Accrued personnel expenses | | 4,928 | 3,039 | 1,936 | 688 |
| Accrued royalties and other accrued expenses | | 4,586 | 5,743 | 1,662 | 1,672 |
| Deferred royalties and other deferred income | | 1,732 | 2,149 | 1,101 | 1,136 |
| Accrued interest expenses | | 2,817 | 2,279 | 1,774 | 1,638 |
| Accrued utilities expenses | | 1,929 | 1,381 | 861 | 636 |
| Accrued advertising and sale promotion expenses | | 348 | 300 | 90 | 67 |
| Accrued rental fees | | 262 | 227 | 236 | 224 |
| Other | | 2,011 | 1,477 | 585 | 431 |
| Total | | 31,719 | 31,987 | 16,587 | 14,596 |

20 Provisions for employee benefits

Defined benefit plans

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

Pension fund benefit

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

Severance benefit

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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.

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.

| <i>Present value of the defined benefit obligations</i> | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|---------------------|--|---------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| At 1 January | | 6,644 | 5,085 | 2,880 | 2,866 |
| Included in profit or loss: | | | | | |
| Current service costs | | 488 | 394 | 158 | 172 |
| Past service costs | | 1 | - | - | - |
| Interest on obligation | | 107 | 71 | 53 | 40 |
| Actuarial (gain) loss on other long-term employee benefit plan | | (6) | 4 | - | - |
| | | <u>590</u> | <u>469</u> | <u>211</u> | <u>212</u> |
| Included in other comprehensive income: | | | | | |
| Actuarial (gain) loss | | | | | |
| - Financial assumptions | | (486) | (440) | (209) | (271) |
| - Experience adjustment | | 209 | 164 | 150 | 120 |
| | | <u>(277)</u> | <u>(276)</u> | <u>(59)</u> | <u>(151)</u> |
| Other | | | | | |
| Benefits paid by the plan | | (289) | (161) | (62) | (51) |
| Acquisition through business combination | 4 | - | 1,487 | - | - |
| Transferred (out) in provisions for employee benefits from subsidiaries and related companies | | (12) | 5 | 2 | 4 |
| Loss of control over a subsidiary | | - | (13) | - | - |
| Exchange differences on translating financial statements | | (1) | 48 | - | - |
| At 31 December | | <u>6,655</u> | <u>6,644</u> | <u>2,972</u> | <u>2,880</u> |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Principal actuarial assumptions

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|--|------------|--|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | | | | (%) |
| Discount rate | 1.9 - 4.0 | 1.3 - 2.2 | 3.1 | 2.2 |
| Future salary growth | 3.0 - 8.0 | 3.0 - 8.0 | 3.5 - 4.0 | 3.5 - 4.0 |
| Employee turnover | 0.0 - 50.0 | 0.0 - 50.0 | 0.0 - 12.0 | 0.0 - 12.0 |

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

At 31 December 2022, the weighted-average duration of the defined benefit obligations were 6 to 15 years (2021: 7 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 increase (decrease) as follows:

| | Consolidated financial statements | | | |
|------------------------------|--|-------|---------------------------|-------|
| | 1% increase in assumption | | 1% decrease in assumption | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>At 31 December</i> | | | | |
| Discount rate | (439) | (406) | 502 | 443 |
| Future salary growth | 466 | 437 | (416) | (387) |
| Employee turnover | (468) | (428) | 504 | 483 |
| | Separate financial statements | | | |
| | 1% increase in assumption | | 1% decrease in assumption | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>At 31 December</i> | | | | |
| Discount rate | (205) | (225) | 234 | 241 |
| Future salary growth | 227 | 240 | (203) | (213) |
| Employee turnover | (230) | (234) | 262 | 266 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

21 Other non-current provisions

| Consolidated financial statements | | | | | |
|---|------|-----------------------|---|-----------|--------------|
| | Note | Dismantling provision | Provision for litigation claim (in million Baht) | Other | Total |
| At 1 January 2021 | | - | 76 | - | 76 |
| Acquisition through business combination | 4 | 2,101 | 16 | 49 | 2,166 |
| Provision made | | 321 | 35 | 16 | 372 |
| Provision used | | - | (36) | - | (36) |
| Provision reverse | | (3) | - | - | (3) |
| At 31 December 2021 and 1 January 2022 | | 2,419 | 91 | 65 | 2,575 |
| Provision made | | 104 | 7 | - | 111 |
| Provision used | | (74) | (1) | - | (75) |
| Provision reverse | | (13) | - | (65) | (78) |
| At 31 December 2022 | | 2,436 | 97 | - | 2,533 |

| Separate financial statements | | |
|-------------------------------|-------------------------------|------------|
| | Dismantling provision 2022 | 2021 |
| | (in million Baht) | |
| At 1 January | 180 | - |
| Dismantling provision made | 14 | 180 |
| Dismantling provision used | (3) | - |
| At 31 December | 191 | 180 |

22 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 subsidiaries and associate

Surplus from changes in ownership interest in subsidiaries and associate 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 (1992) 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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Legal reserve as at 31 December 2022 and 2021 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.

23 Perpetual subordinated debentures

Movements during the years ended 31 December 2022 and 2021 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------------|--|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| At 1 January | 19,911 | 19,909 | 19,911 | 19,909 |
| Increase, net of perpetual subordinated debentures issuance cost | - | 9,955 | - | 9,955 |
| Decrease | <u>(9,956)</u> | <u>(9,953)</u> | <u>(9,956)</u> | <u>(9,953)</u> |
| At 31 December | <u>9,955</u> | <u>19,911</u> | <u>9,955</u> | <u>19,911</u> |

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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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.

On 22 August 2022, the Company exercised the early redemption right per condition as stipulated in the terms and conditions of perpetual subordinated debentures (“Debentures”) (debentures no.1/2017) of Baht 9,956 million.

These Debentures of totalling Baht 9,955 million (debentures no.1/2021) , net of issuance cost of Baht 45 million, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2022.

As at 31 December 2022, the Company has not deferred any interest payments to the perpetual subordinated debentures holders. Cumulative interest for the year ended 31 December 2022 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 779 million (2020: Baht 1,000 million). During the year of 2022, the Company paid interest expenses on perpetual subordinated debentures to the holders of Baht 960 million (2020: Baht 1,000 million).

24 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, wholesale, retail and mall, 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: Wholesale
- Segment 3: Retail and mall
- 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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Disaggregation of revenues, timing of revenue recognition and results, based on segments, in the consolidated financial statements for the years ended 31 December 2022 and 2021 were as follows:

| | Convenience stores | | Wholesale | | Retail and mall | | Other | | Elimination | | Total | |
|--|--------------------|----------------|----------------|----------------|-----------------|---------------|---------------|---------------|-----------------|-----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <i>For the year ended 31 December</i> | | | | | | | | | | | | |
| Type of revenues | | | | | | | | | | | | |
| Revenue from sale of goods | 354,485 | 288,967 | 242,438 | 221,345 | 204,745 | 37,286 | 40,805 | 34,208 | (38,207) | (31,387) | 804,266 | 550,419 |
| Revenue from rendering of services | 1,167 | 1,301 | 4,684 | 4,274 | 14,215 | 2,493 | 14,047 | 15,632 | (9,280) | (9,059) | 24,833 | 14,641 |
| Revenue from sale of goods and rendering of services | <u>355,652</u> | <u>290,268</u> | <u>247,122</u> | <u>225,619</u> | <u>218,960</u> | <u>39,779</u> | <u>54,852</u> | <u>49,840</u> | <u>(47,487)</u> | <u>(40,446)</u> | <u>829,099</u> | <u>565,060</u> |
| Timing of revenue recognition | | | | | | | | | | | | |
| At a point in time | 355,652 | 290,268 | 242,450 | 221,357 | 205,833 | 37,540 | 54,478 | 45,684 | (47,483) | (38,124) | 810,930 | 556,725 |
| Overtime | - | - | 4,672 | 4,262 | 13,127 | 2,239 | 374 | 4,156 | (4) | (2,322) | 18,169 | 8,335 |
| Total | <u>355,652</u> | <u>290,268</u> | <u>247,122</u> | <u>225,619</u> | <u>218,960</u> | <u>39,779</u> | <u>54,852</u> | <u>49,840</u> | <u>(47,487)</u> | <u>(40,446)</u> | <u>829,099</u> | <u>565,060</u> |
| Segment profit before income tax expense | 11,668 | 8,170 | 8,840 | 7,783 | 578 | 539 | 3,430 | 3,355 | (4,434) | (7,270) | 20,082 | 12,577 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2022 and 2021 were as follows:

| | Convenience stores | | Wholesale | | Retail and mall | | Other | | Elimination | | Total |
|--|--------------------------|----------------|----------------|----------------|-----------------|---------------|---------------|---------------|-----------------|-----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2021 |
| | <i>(in million Baht)</i> | | | | | | | | | | |
| Revenue from sale of goods and rendering of services | 355,653 | 290,268 | 247,121 | 225,619 | 218,961 | 39,779 | 54,852 | 49,840 | (47,488) | (40,446) | 829,099 |
| Interest income | 226 | 268 | 108 | 32 | 102 | 19 | 80 | 74 | (233) | (264) | 283 |
| Dividend income | 5,380 | 7,064 | - | - | - | - | 90 | 190 | (5,470) | (7,254) | - |
| Net foreign exchange gain (loss) | - | 359 | - | 30 | - | 26 | - | (8) | - | - | - |
| Gain (loss) from sale of investments in subsidiaries | - | 1,711 | - | - | - | - | - | 25 | - | (418) | - |
| Other income | 21,927 | 20,809 | 666 | 558 | 1,989 | 305 | 1,971 | 1,539 | (3,330) | (2,595) | 23,223 |
| Gain on step acquisition | - | - | - | 6,714 | - | - | - | - | - | - | - |
| Total revenues | 383,186 | 320,479 | 247,895 | 232,953 | 221,052 | 40,129 | 56,993 | 51,660 | (56,521) | (50,977) | 852,605 |
| Cost of sale of goods and rendering of services | 258,310 | 210,806 | 216,961 | 198,479 | 172,627 | 30,905 | 44,002 | 39,119 | (40,800) | (34,538) | 651,100 |
| Distribution costs | 88,600 | 77,328 | 15,369 | 13,155 | 33,155 | 6,156 | 4,065 | 4,026 | (4,439) | (2,984) | 136,750 |
| Administrative expenses | 15,008 | 13,166 | 6,503 | 5,831 | 7,955 | 1,518 | 5,007 | 4,820 | (5,810) | (6,148) | 28,663 |
| Net foreign exchange (gain) loss | (65) | - | (276) | - | 113 | - | 238 | - | - | - | 10 |
| Net impairment for loss on intangible assets other than goodwill | - | - | - | 7,159 | - | - | - | - | - | - | - |
| Finance costs | 9,665 | 11,009 | 498 | 546 | 6,624 | 1,011 | 251 | 340 | (206) | (263) | 16,832 |
| Total expenses | 371,518 | 312,309 | 239,055 | 225,170 | 220,474 | 39,590 | 53,563 | 48,305 | (51,255) | (43,933) | 833,355 |
| Share of gain (loss) of associate and joint ventures | - | - | - | - | - | - | - | - | 832 | (226) | 832 |
| Segment profit before income tax expense | 11,668 | 8,170 | 8,840 | 7,783 | 578 | 539 | 3,430 | 3,355 | (4,434) | (7,270) | 20,082 |
| | | | | | | | | | | | 12,577 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2022 and 2021 were as follows:

| | Convenience stores | | Wholesale | | Retail and mall | | Other | | Elimination | | Total | |
|--|--------------------------|----------------|----------------|----------------|-----------------|----------------|---------------|---------------|------------------|------------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | | | | | | | | | |
| Investment properties | - | - | 333 | 333 | 43,798 | 45,156 | - | - | - | - | 44,131 | 45,489 |
| Property, plant and equipment | 43,481 | 40,803 | 59,903 | 58,015 | 85,563 | 87,880 | 25,246 | 25,690 | (783) | (855) | 213,410 | 211,533 |
| Right-of-use assets | 43,560 | 38,727 | 11,599 | 11,365 | 25,872 | 25,829 | 1,662 | 1,672 | (448) | (327) | 82,245 | 77,266 |
| Goodwill | - | - | 127,959 | 127,959 | 232,545 | 232,545 | 137 | 137 | - | - | 360,641 | 360,641 |
| Intangible assets | | | | | | | | | | | | |
| other than goodwill | 2,384 | 2,310 | 48,812 | 48,268 | 7,781 | 5,864 | 2,350 | 2,176 | (7,524) | (7,503) | 53,803 | 51,115 |
| Other assets | 342,658 | 337,673 | 48,344 | 67,012 | 62,291 | 59,273 | 27,958 | 27,219 | (311,420) | (305,329) | 169,831 | 185,848 |
| Segment assets as at 31 December | 432,083 | 419,513 | 296,950 | 312,952 | 457,850 | 456,547 | 57,353 | 56,894 | (320,175) | (314,014) | 924,061 | 931,892 |
| Segment liabilities as at 31 December | 355,602 | 338,161 | 72,749 | 69,574 | 199,766 | 226,252 | 29,090 | 29,238 | (23,447) | (24,140) | 633,760 | 639,085 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Information about geographical areas

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of 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) | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Thailand | 800,400 | 577,041 | 361,930 | 352,049 |
| Malaysia | 38,502 | 6,671 | 34,979 | 36,188 |
| Others | 13,703 | 10,599 | 17,556 | 17,241 |
| Total | 852,605 | 594,311 | 414,465 | 405,478 |

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 2022 and 2021 were as follow:

| | Consolidated financial statements | |
|--|--|--------------|
| | 2022 | 2021 |
| | <i>(in million Baht)</i> | |
| Domestic sale of goods and rendering of services | 9,931 | 9,518 |
| Total | 9,931 | 9,518 |

Contract balances

As at 31 December 2022 the Group had outstanding balances of contract liabilities in the consolidated financial statements amounting to Baht 530 million (2021: Baht 816 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

25 Leases

As a lessee

The Group has entered 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.

| <i>For the year ended 31 December</i> | <i>Note</i> | Consolidated | | Separate | |
|--|-------------|-----------------------------|-------|-----------------------------|-------|
| | | financial statements | | financial statements | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| <i>Amounts recognised in profit or loss</i> | | | | | |
| Sub-lease income | | 4,537 | 906 | - | - |
| Depreciation of right-of-use assets: | <i>14</i> | | | | |
| - Land | | 3,997 | 2,580 | 2,258 | 1,930 |
| - Buildings | | 8,391 | 7,486 | 6,257 | 6,748 |
| - Machinery and equipment | | 281 | 209 | 12 | 3 |
| - Furniture, fixtures and office equipment | | 51 | 24 | - | - |
| - Vehicles | | 316 | 162 | - | - |
| Interest on lease liabilities | <i>17</i> | 3,027 | 1,622 | 1,138 | 981 |
| Expenses relating to short-term leases | | 646 | 259 | 501 | 48 |
| Expenses relating to leases of low-value assets | | 439 | 195 | 119 | 61 |
| Variable lease payments based on sales | | 247 | 51 | 104 | 36 |

Total cash outflow for leases presented in consolidated and separate statement of cash flows for the year ended 31 December 2022 were Baht 15,186 million and Baht 8,863 million, respectively (2021: Baht 10,359 million and Baht 7,890 million, respectively).

Extension options

The Group has extension options on property leases exercisable 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.

As a lessor

The Group has entered into a number of land and spaces in buildings lease agreements which were classified as operating leases. These lease agreements are effective for period of 1 year to 31 years and will expire on various dates until June 2050.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| <i>Lease payments to be received from operating leases as at 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| 1 st year | 5,063 | 1,901 | - | - |
| 2 nd year | 2,698 | 2,840 | - | - |
| 3 rd year | 1,071 | 1,180 | - | - |
| 4 th year | 62 | 241 | - | - |
| 5 th year | 64 | 67 | - | - |
| After 5 th year | 1,354 | 1,090 | - | - |
| Total | 10,312 | 7,319 | - | - |

26 Other income

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Sale promotion income | 13,245 | 12,267 | 12,390 | 11,515 |
| Income on royalties and other fees relating to licenses income | 2,313 | 2,272 | 2,248 | 2,228 |
| Other | 7,665 | 6,077 | 7,241 | 7,063 |
| Total | 23,223 | 20,616 | 21,879 | 20,806 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

27 Expenses by nature

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

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|----------------|--|----------------|
| | <i>Note</i> | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| Changes in inventories of finished goods and work in progress | | (7,557) | (20,725) | (1,686) | (1,209) |
| Purchase of finished goods | | 616,883 | 434,658 | 249,670 | 204,374 |
| Raw materials and consumables used | | 12,843 | 10,273 | - | - |
| Depreciation – investment properties | 12 | 2,084 | 749 | - | - |
| Depreciation – property, plant and equipment | 13 | 19,645 | 12,386 | 7,545 | 7,166 |
| Depreciation – right-of-use assets | 14 | 13,036 | 10,461 | 8,527 | 8,681 |
| Amortisation – intangible assets other than goodwill | 16 | 1,779 | 891 | 414 | 329 |
| Impairment loss on intangible assets other than goodwill | 16 | - | 7,159 | - | - |
| Employee benefit expenses | | 61,862 | 41,841 | 30,554 | 25,564 |
| Convenience store management fees | | 21,577 | 18,221 | 21,480 | 18,218 |
| Advertising and sale promotion expenses | | 16,716 | 15,239 | 14,075 | 13,837 |
| Utilities expenses | | 16,197 | 10,808 | 9,121 | 7,543 |
| Lease-related expenses | 25 | 1,332 | 505 | 724 | 145 |
| Other | | 40,117 | 26,331 | 20,703 | 16,566 |
| Total cost of sales of goods and rendering of services, distribution costs, administrative expenses and impairment loss on intangible assets other than goodwill | | 816,514 | 568,797 | 361,127 | 301,214 |

28 Finance costs

| | | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2022 | 2021 | 2022 | 2021 |
| | | <i>(in million Baht)</i> | | | |
| Finance costs paid to: | | | | | |
| Related parties | 5 | - | - | 41 | 21 |
| Related parties under leases | 5, 25 | 36 | 8 | - | - |
| Financial institutions | | 13,805 | 11,021 | 8,486 | 10,007 |
| Other parties under leases | 25 | 2,991 | 1,614 | 1,138 | 981 |
| Total | | 16,832 | 12,643 | 9,665 | 11,009 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

29 Income tax

Income tax recognised in profit or loss

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--------------------------------------|----------------|----------------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| Current tax | | | | |
| Current year | 4,352 | 2,838 | - | 2 |
| Over provided for prior years tax | (30) | (48) | - | - |
| | <u>4,322</u> | <u>2,790</u> | <u>-</u> | <u>2</u> |
| Deferred income tax | | | | |
| Movements in temporary differences | (461) | (2,265) | 298 | (821) |
| | <u>(461)</u> | <u>(2,265)</u> | <u>298</u> | <u>(821)</u> |
| Total | <u>3,861</u> | <u>525</u> | <u>298</u> | <u>(819)</u> |

Income tax recognised in other comprehensive income

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|----------------|----------------------|----------------------|----------------------------|----------------------|
| | 2022 | | | 2021 | | |
| | Before income tax | Tax expense | Net of income tax | Before income tax | Tax (income) expense | Net of income tax |
| | <i>(in million Baht)</i> | | | | | |
| Cash flow hedges reserve | (290) | 58 | (232) | 66 | (13) | 53 |
| Gain on remeasurements of defined benefit plans | (277) | 49 | (228) | (276) | 55 | (221) |
| Gain on investment in equity instruments designated at FVOCI | (276) | 55 | (221) | (325) | 65 | (260) |
| Total | <u>(843)</u> | <u>162</u> | <u>(681)</u> | <u>(535)</u> | <u>107</u> | <u>(428)</u> |

| | Separate financial statements | | | | | |
|--|-------------------------------|----------------|----------------------|----------------------|----------------|----------------------|
| | 2022 | | | 2021 | | |
| | 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 | (59) | 12 | (47) | (150) | 30 | (120) |
| Gain on investment in equity instruments designated at FVOCI | (124) | 25 | (99) | (325) | 65 | (260) |
| Total | <u>(183)</u> | <u>37</u> | <u>(146)</u> | <u>(475)</u> | <u>95</u> | <u>(380)</u> |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Reconciliation of effective tax rate

| Applicable tax rate (%) | Consolidated financial statements | | | |
|---|-----------------------------------|-------------------|---------|---------|
| | 0% | 20% | Other | Total |
| | | (in million Baht) | | |
| 2022 | | | | |
| Accounting profit (loss) before income tax expense | (82) | 20,172 | (8) | 20,082 |
| Income tax at the applicable tax rates | - | 4,034 | 254 | 4,288 |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit | - | (554) | 157 | (397) |
| (Over) under provided for prior years tax | - | (41) | 11 | (30) |
| Net | - | 3,439 | 422 | 3,861 |
| 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 for prior years tax | - | (4) | (44) | (48) |
| Net | - | 460 | 65 | 525 |

| Applicable tax rate (%) | Separate financial statements | |
|---|-------------------------------|---------|
| | 20% | 20% |
| | 2022 | 2021 |
| | (in million Baht) | |
| Accounting profit before income tax expense | 11,698 | 8,213 |
| Income tax at the applicable tax rates | 2,340 | 1,643 |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit | (2,042) | (2,462) |
| Net | 298 | (819) |

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2022 and 2021 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------|-----------------------------------|----------|-------------------------------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | (in million Baht) | | | |
| Deferred tax assets | 2,273 | 2,599 | 1,508 | 1,843 |
| Deferred tax liabilities | (17,173) | (17,848) | - | - |
| Net | (14,900) | (15,249) | 1,508 | 1,843 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Movements in deferred tax assets and liabilities during the years ended 31 December 2022 and 2021 were as follows:

| 2022 | | | | | | |
|---|----------|-------|-------|------|----------|----------|
| Deferred tax assets (liabilities) | | | | | | |
| Trade accounts receivable and other receivables | 4 | 1 | - | - | - | 5 |
| Inventories | 651 | (16) | - | - | (4) | 631 |
| Investment in associate | (1,311) | - | - | - | - | (1,311) |
| Investments in related companies | (65) | - | (55) | - | - | (120) |
| Property, plant and equipment and intangible assets other than goodwill | (6,041) | (298) | - | - | 56 | (6,283) |
| Right-of use assets | (3,975) | 778 | - | - | 25 | (3,172) |
| Derivatives liabilities | 199 | (8) | (58) | - | - | 133 |
| Lease liabilities | 5,783 | (70) | - | (20) | - | 5,693 |
| Provisions for employee benefits | 1,190 | 46 | (49) | - | - | 1,187 |
| Other non-current provisions | 442 | 1 | - | - | - | 443 |
| Fair value adjustment assets acquired through business combinations | (13,401) | 32 | - | - | - | (13,369) |
| Loss carry forward | 713 | (394) | - | - | - | 319 |
| Other | 562 | 389 | - | (7) | - | 944 |
| Total | (15,249) | 461 | (162) | 50 | (14,900) | |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| | Consolidated financial statements | | | | | At 31 |
|---|--|----------------------------|-----------------------------------|--|--|-----------------|
| | At 1 | (Charged)/credit to | | | Exchange | December |
| | January | Profit or loss | Other comprehensive income | Acquisition through business combination (Note 4) | differences on translating financial statements | December |
| | | | <i>(in million Baht)</i> | | | |
| 2021 | | | | | | |
| Deferred tax assets (liabilities) | | | | | | |
| Trade accounts receivable and other receivables | 12 | (8) | - | - | - | 4 |
| Inventories | 167 | (29) | - | 516 | (3) | 651 |
| Investment in associate | (940) | 940 | - | (1,311) | - | (1,311) |
| Investments in related companies | - | - | (65) | - | - | (65) |
| Property, plant and equipment and intangible assets other than goodwill | 1 | 260 | - | (6,348) | 46 | (6,041) |
| Right-of use assets | (9,143) | 8,285 | - | (3,119) | 2 | (3,975) |
| Derivatives liabilities | 940 | (916) | 13 | 162 | - | 199 |
| Lease liabilities | 9,677 | (8,405) | - | 4,512 | (1) | 5,783 |
| Provisions for employee benefits | 902 | 51 | (55) | 292 | - | 1,190 |
| Other non-current provisions | - | 28 | - | 414 | - | 442 |
| Fair value adjustment assets acquired through business combinations | (14,947) | 1,546 | - | - | - | (13,401) |
| Loss carry forward | - | 713 | - | - | - | 713 |
| Other | 171 | (200) | - | 592 | (1) | 562 |
| Total | (13,160) | 2,265 | (107) | (4,290) | 43 | (15,249) |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| | Separate financial statements (Charged)/ credited to | | | |
|--|---|-------------------------------------|----------------------------------|-------------------|
| | At 1 January | Profit or loss (in million Baht) | Other comprehensive income | At 31 December |
| 2022 | | | | |
| Deferred tax assets (liabilities) | | | | |
| Other receivables | 4 | 1 | - | 5 |
| Inventories | 44 | (1) | - | 43 |
| Investment in related companies | (65) | - | (25) | (90) |
| Property, plant and equipment | 24 | - | - | 24 |
| Right-of use assets | 533 | 76 | - | 609 |
| Derivatives liabilities | 23 | (8) | - | 15 |
| Provisions for employee benefits | 567 | 25 | (12) | 580 |
| Other liabilities | - | 4 | - | 4 |
| Loss carry forward | 713 | (395) | - | 318 |
| Total | 1,843 | (298) | (37) | 1,508 |
| 2021 | | | | |
| Deferred tax assets (liabilities) | | | | |
| Other receivables | 3 | 1 | - | 4 |
| Inventories | 44 | - | - | 44 |
| Investment in associate | (940) | 940 | - | - |
| Investment in related companies | - | - | (65) | (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 | (30) | 567 |
| Loss carry forward | - | 713 | - | 713 |
| Total | 1,117 | 821 | (95) | 1,843 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

30 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2022 and 2021 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 | |
|---|--|----------------------|--|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht/million shares)</i> | | | |
| Profit for the year attributable to equity holders of the Company | 13,272 | 12,985 | 11,400 | 9,032 |
| Less: cumulative interest for the year on perpetual subordinated debentures | <u>(779)</u> | <u>(1,000)</u> | <u>(779)</u> | <u>(1,000)</u> |
| Profit used in calculation of basic earnings per share | <u>12,493</u> | <u>11,985</u> | <u>10,621</u> | <u>8,032</u> |
| Number of ordinary shares outstanding during the year | <u>8,983</u> | <u>8,983</u> | <u>8,983</u> | <u>8,983</u> |
| Basic earnings per share (in Baht) | <u>1.39</u> | <u>1.33</u> | <u>1.18</u> | <u>0.89</u> |

31 Dividends

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

| | Approval date | Payment date | Dividend rate <i>(in Baht/share)</i> | Amount <i>(in million Baht)</i> |
|----------------------|---------------|--------------|---|------------------------------------|
| <i>2022</i> | | | | |
| Annual dividend 2021 | 22 April 2022 | 20 May 2022 | <u>0.60</u> | <u>5,390</u> |
| <i>2021</i> | | | | |
| Annual dividend 2020 | 23 April 2021 | 21 May 2021 | <u>0.90</u> | <u>8,085</u> |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

32 Financial instruments

(a) Carrying amounts and fair values

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

| | Consolidated financial statements | | | | | |
|--|---|---|--|-------------------|---------|---------|
| | Carrying amount | | | Fair value | | |
| | Financial instruments measured at FVTPL | Financial instruments measured at FVOCI | Financial instruments measured at amortised cost | Total | Level 2 | Level 3 |
| Hedging instrument | | | | (in million Baht) | | Total |
| 31 December 2022 | | | | | | |
| Financial assets | | | | | | |
| Forward exchange contracts | - | - | - | 7 | 7 | 7 |
| Investments in related companies | - | 1,568 | - | 1,568 | 1,568 | 1,568 |
| Financial liabilities | | | | | | |
| Debentures | - | - | 247,261 | 247,261 | 249,771 | 249,771 |
| Long-term borrowings from financial institutions | - | - | 87,702 | 87,702 | 91,430 | 91,430 |
| Forward exchange contracts | 2,872 | 98 | - | 2,970 | 2,970 | 2,970 |
| Accrued guarantee deposits | - | - | 3,578 | 3,578 | 3,026 | 3,026 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| 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 | Total |
| (in million Baht) | | | | | |
| 31 December 2021 | | | | | |
| Financial assets | | | | | |
| | - | 609 | - | - | 609 |
| | - | - | 821 | - | 821 |
| | - | - | - | 222,349 | 222,349 |
| | - | - | - | 108,697 | 108,697 |
| | - | - | - | - | - |
| | 876 | 128 | - | 1,004 | 1,004 |
| | - | - | - | 3,519 | 3,519 |
| Financial liabilities | | | | | |
| | - | - | - | 222,349 | 222,349 |
| | - | - | - | 110,167 | 110,167 |
| | - | - | - | 1,004 | 1,004 |
| | - | - | - | 3,008 | 3,008 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | | | | |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| | | 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 | Level 2 | Level 3 |
| | | | | Total (in million Baht) | | Total |
| 31 December 2022 | | | | | | |
| Financial assets | | | | | | |
| | Investments in related companies | - | 995 | - | - | 995 |
| Financial liabilities | | | | | | |
| | Debentures | - | - | 223,796 | 223,796 | - |
| | Forward exchange contracts | - | - | 77 | 77 | - |
| | Accrued guarantee deposits | - | - | 3,563 | 3,011 | - |
| | | | | | | 225,977 |
| | | | | | | 77 |
| | | | | | | 3,011 |
| 31 December 2021 | | | | | | |
| Financial assets | | | | | | |
| | Investment in related companies | - | 526 | - | - | 526 |
| Financial liabilities | | | | | | |
| | Debentures | - | - | 222,349 | 222,349 | - |
| | Forward exchange contracts | - | - | 118 | 118 | - |
| | Accrued guarantee deposits | - | - | 3,530 | 3,019 | - |
| | | | | | | 229,089 |
| | | | | | | 118 |
| | | | | | | 3,019 |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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: (2022: 8.37% - 12.79% and 2021: 8.71% - 11.00%) | 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 | |
|--|-----------------------------------|------------|-------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>Investments in related companies</i> | | | | |
| At 1 January | 821 | 34 | 526 | 34 |
| Acquisitions | 471 | 462 | 345 | 167 |
| Change in fair value - recognised in other comprehensive income | 276 | 325 | 124 | 325 |
| At 31 December | 1,568 | 821 | 995 | 526 |

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 | |
|---|-----------------------------------|---------------------------|-------------------------------|---------------------------|
| | 1% increase in assumption | 1% decrease in assumption | 1% increase in assumption | 1% decrease in assumption |
| | <i>(in million Baht)</i> | | | |
| <i>Effect to other comprehensive income - net of income tax</i> | | | | |
| <i>At 31 December 2022</i> | | | | |
| <i>Investments in related companies</i> | | | | |
| Discount rate | (144) | 188 | (79) | 104 |
| <i>At 31 December 2021</i> | | | | |
| <i>Investment in related companies</i> | | | | |
| Discount rate | (76) | 81 | (41) | 53 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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 7 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.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) | | | | | | |
| <i>At 31 December 2022</i> | | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| Short-term borrowings from financial institutions | 16,810 | 16,815 | - | - | - | 16,815 |
| Trade accounts payable | 115,963 | 115,961 | 2 | - | - | 115,963 |
| Other payables | 13,106 | 13,105 | 1 | - | - | 13,106 |
| Short-term borrowings from other party | 46 | 46 | - | - | - | 46 |
| Debentures | 247,261 | 27,049 | 41,124 | 98,720 | 122,999 | 289,892 |
| Long-term borrowings from financial institutions | 87,702 | 4,887 | 73,736 | 20,075 | - | 98,698 |
| Lease liabilities | 95,063 | 13,262 | 12,603 | 30,636 | 70,358 | 126,859 |
| Rental deposits from tenants | 1,821 | - | 889 | 492 | 444 | 1,825 |
| | <u>577,772</u> | <u>191,125</u> | <u>128,355</u> | <u>149,923</u> | <u>193,801</u> | <u>663,204</u> |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Consolidated financial statements <i>(Continued)</i> | | | | | | |
|--|-----------------|----------------|--|---|-------------------|----------------|
| | | | 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 |
| | | | <i>(in million Baht)</i> | | | |
| <i>At 31 December 2022 (continued)</i> | | | | | | |
| <i>Derivative financial liabilities</i> | | | | | | |
| Forward exchange contracts | 98 | | | | | |
| Forward exchange contracts used for hedging: | 2,873 | | | | | |
| - Cash outflow | | (38,696) | (6,787) | - | - | (45,483) |
| - Cash inflow | | 37,136 | 6,579 | - | - | 43,715 |
| | <u>2,971</u> | <u>(1,560)</u> | <u>(208)</u> | <u>-</u> | <u>-</u> | <u>(1,768)</u> |

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 | 15,392 | 15,392 | - | - | - | 15,392 |
| 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 |
| | <u>587,007</u> | <u>198,566</u> | <u>118,852</u> | <u>123,410</u> | <u>199,334</u> | <u>640,162</u> |

Derivative financial liabilities

| | | | | | | |
|--|--------------|-----------------|----------|----------------|----------|-----------------|
| Forward exchange contracts | 128 | | | | | |
| Forward exchange contracts used for hedging: | 876 | | | | | |
| - Cash outflow | | (51,859) | - | (6,787) | - | (58,646) |
| | <u>1,004</u> | <u>(51,859)</u> | <u>-</u> | <u>(6,787)</u> | <u>-</u> | <u>(58,646)</u> |

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 2022</i> | | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| Short-term borrowings from financial institutions | 15,173 | 15,178 | - | - | - | 15,178 |
| Trade accounts payable | 45,999 | 45,999 | - | - | - | 45,999 |
| Other payables | 8,342 | 8,342 | - | - | - | 8,342 |
| Short-term borrowings from subsidiary | 60 | 60 | - | - | - | 60 |
| Debentures | 223,796 | 26,295 | 30,671 | 88,143 | 118,758 | 263,867 |
| Lease liabilities | 45,861 | 8,373 | 7,613 | 17,880 | 18,206 | 52,072 |
| | 339,231 | 104,247 | 38,284 | 106,023 | 136,964 | 385,518 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| Separate financial statements (Continued) | | | | | | |
|---|--------------------|-------------------|--|--|----------------------|----------------|
| Contractual cash flows | | | | | | |
| | Carrying amount | 1 year or less | More than 1 year but less than 2 years (in million Baht) | More than 2 years but less than 5 years | More than 5 years | Total |
| At 31 December 2022 (continued) | | | | | | |
| Derivative financial liabilities | | | | | | |
| Forward exchange contracts | 77 | | | | | |
| - Cash inflow | | 1,126 | - | - | - | 1,126 |
| | <u>77</u> | <u>1,126</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,126</u> |
| At 31 December 2021 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings from financial institutions | 13,493 | 13,500 | - | - | - | 13,500 |
| Trade accounts payable | 38,701 | 38,701 | - | - | - | 38,701 |
| Other payables | 8,104 | 8,104 | - | - | - | 8,104 |
| 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>324,165</u> | <u>87,089</u> | <u>27,978</u> | <u>92,740</u> | <u>163,820</u> | <u>371,627</u> |
| Derivative financial liabilities | | | | | | |
| 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> |

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.

(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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

At 31 December 2022 and 2021 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Consolidated financial statements

| <i>At 31 December 2022</i> | United States Dollar | Australian Dollar | Pound Sterling | Euro | Swiss Franc | Hong Kong Dollar (in million Baht) | Japanese Yen | Cambodia Riel | China Renminbi | Other | Total |
|---|----------------------|-------------------|----------------|-------------|-------------|---------------------------------------|--------------|---------------|----------------|----------|-----------------|
| Cash and cash equivalents | 65 | 4 | - | - | - | 1 | - | 289 | 172 | 6 | 537 |
| Trade accounts receivable and other receivables | 56 | - | - | 1 | 3 | - | - | - | 11 | - | 71 |
| Trade accounts payable and other payables | (1,627) | (82) | (8) | (86) | (1) | - | (226) | - | (29) | (3) | (2,062) |
| Long-term borrowings from financial institutions | (42,840) | - | - | - | - | - | - | - | - | - | (42,840) |
| Net statement of financial position exposure | (44,346) | (78) | (8) | (85) | 2 | 1 | (226) | 289 | 154 | 3 | (44,294) |
| Forward exchange purchase contracts | 43,560 | - | - | - | - | - | - | - | - | - | 43,560 |
| Net exposure | (786) | (78) | (8) | (85) | 2 | 1 | (226) | 289 | 154 | 3 | (734) |

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| | Consolidated financial statements | | | | | | | | | | | |
|---|-----------------------------------|-------------------|----------------|------|-------------|--------------------|------------------|--------------|---------------|----------------|-------|----------|
| | United States Dollar | Australian Dollar | Pound Sterling | Euro | Swiss Franc | New Zealand Dollar | Hong Kong Dollar | Japanese Yen | Cambodia Riel | China Renminbi | Other | Total |
| At 31 December 2021 | (in million Baht) | | | | | | | | | | | |
| 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 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| | Separate financial statements | |
|--|----------------------------------|-------------------------|
| | 2022 | 2021 |
| | United States Dollar | United States Dollar |
| <i>At 31 December</i> | <i>(in million Baht)</i> | |
| Trade accounts receivable and other current receivables | - | 3 |
| Short-term loans to subsidiaries | 2,229 | 2,155 |
| Net statement of financial position exposure | 2,229 | 2,158 |
| Forward exchange selling contracts | (1,126) | (1,170) |
| Net exposure | 1,103 | 988 |

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.

| Impact to profit or loss | Movement (%) | Consolidated financial statements | | Separate financial statements | |
|----------------------------|-----------------|--------------------------------------|--------------------------------|----------------------------------|-----------|
| | | Strengthening | Weakening (in million Baht) | Strengthening | Weakening |
| <i>At 31 December 2022</i> | | | | | |
| United States Dollar | 1 | (12) | 12 | (12) | 12 |
| <i>At 31 December 2021</i> | | | | | |
| United States Dollar | 1 | (10) | 10 | (10) | 10 |

(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 17 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.

| Exposure to interest rate risk <i>At 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in million Baht)</i> | | | |
| <i>Financial instruments with variable interest rates</i> | | | | |
| Financial liabilities | 79,559 | 128,402 | - | - |
| Net statement of financial position exposure | 79,559 | 128,402 | - | - |
| Interest rate swaps | - | - | - | - |
| Net exposure | 79,559 | 128,402 | - | - |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date for the next 12 months; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| <i>Effect to profit or loss increase (decrease) of financial instrument as at 31 December</i> | 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 |
| | <i>(in million Baht)</i> | | | |
| 2022 | | | | |
| Financial instruments with variable interest rate | (812) | 812 | - | - |
| 2021 | | | | |
| Financial instruments with variable interest rate | (1,256) | 1,256 | - | - |

(c) Hedge accounting

(c.1) Cash flow hedges

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

| <i>Foreign currency risk</i> | 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 | |
| | | <i>(in million Baht)</i> | | |
| 31 December 2022 | | | | |
| Borrowings | - | 153 | 79 | - |
| 31 December 2021 | | | | |
| Borrowings | - | (10) | (111) | - |

At 31 December 2022 and 2021, 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 | More than one year |
| At 31 December 2022 | | | |
| Foreign currency risk | | | |
| <i>Forward exchange contracts</i> | | | |
| Net exposure <i>(in million Baht)</i> | 20,823 | 17,525 | 6,787 |
| Average USD: THB forward contracts | 36.3 | 36.8 | 33.9 |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Consolidated financial statements (Continued)

| | 1-6 months | Maturity 6-12 months | More than one year |
|------------------------------------|---------------|----------------------------|-----------------------|
| <i>At 31 December 2021</i> | | | |
| 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 |

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

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------|----------------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | (in million Baht) | | | |
| Foreign currency risk | | | | |
| <i>at 31 December</i> | | | | |
| Forward exchange contracts | | | | |
| - nominal amount | 45,135 | 56,814 | - | - |
| Carrying amount included in: | | | | |
| - derivatives liabilities | 2,873 | 876 | - | - |
| Foreign currency risk | | | | |
| <i>for the year ended 31 December</i> | | | | |
| <i>Recognised in other comprehensive income</i> | | | | |
| - changes in value of | | | | |
| the hedging instrument | 1,322 | 2,622 | - | 2,564 |
| - costs of hedging | 79 | (111) | - | - |
| <i>Recognised in profit or loss</i> | | | | |
| - reclassified from hedging reserve and included in foreign exchange loss | (1,169) | (2,632) | - | (2,564) |

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 | | | |
|--|-----------------------------------|-------------------|-------------|--------------|
| | 2022 | | 2021 | |
| Cash flow hedges | Hedging | Costs of | Hedging | Costs of |
| - reserve foreign currency risk | reserve | hedging | reserve | hedging |
| | | reserve | | reserve |
| | | (in million Baht) | | |
| Balances at 1 January | (10) | (111) | - | - |
| Change in fair value: | | | | |
| - borrowings | 1,359 | 99 | 2,637 | (139) |
| Amount reclassified to profit or loss: | | | | |
| - borrowings | (1,169) | - | (2,632) | - |
| - tax on movements on reserve during the year | (38) | (20) | (15) | 28 |
| Balances at 31 December | 142 | (32) | (10) | (111) |

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

| | Separate financial statements | | | |
|--|-------------------------------|-------------------|----------|----------|
| | 2022 | | 2021 | |
| <i>Cash flow hedges</i> | Hedging | Costs of | Hedging | Costs of |
| <i>- reserve foreign currency risk</i> | reserve | hedging | reserve | hedging |
| | | reserve | | reserve |
| | | (in million Baht) | | |
| Balances at 1 January | - | - | - | - |
| Change in fair value: | | | | |
| - borrowings | - | - | 2,564 | - |
| Amount reclassified to profit or loss: | | | | |
| - borrowings | - | - | (2,564) | - |
| Balances at 31 December | - | - | - | - |

33 Capital Management

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

34 Commitments with non-related parties

| | Consolidated | | Separate | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2022 | 2021 | 2022 | 2021 |
| | (in million Baht) | | | |
| <i>Capital commitments</i> | | | | |
| Contracted but not provided for | | | | |
| (construction cost of new plants and | | | | |
| installation cost of machinery, and | | | | |
| computer system development costs) | 3,479 | 3,779 | - | - |
| Total | 3,479 | 3,779 | - | - |
| <i>Other commitments</i> | | | | |
| Short-term lease commitments | 137 | 109 | 136 | 104 |
| Unused letters of credit for purchase | | | | |
| of goods and supplies | 782 | 1,230 | - | - |
| Other commitments | 6 | 9 | - | - |
| Total | 925 | 1,348 | 136 | 104 |

Letters of guarantee

As at 31 December 2022, the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 3,364 million and United States Dollars 0.3 million (2021: Baht 3,290 million and United States Dollars 0.3 million).

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Significant agreements

As at 31 December 2022 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.
- (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 July 2023.
- (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 October 2027. 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

- (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 June 2025. 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 October 2025. If either of the parties has intention to terminate or has no intention to renew the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (i) Foreign indirect subsidiaries (CP ALL (CAMBODIA) CO., LTD. and CP ALL LAOS COMPANY LIMITED) have Master Franchise Agreements with 7-Eleven, Inc., which was incorporated in the United States of America, to obtain franchising rights in the establishment and operation of 7-Eleven convenience stores in Cambodia and Laos for a period of 30 years, which the parties may agree to extend by two additional 20-year terms. The indirect subsidiaries are committed to pay a monthly fee to 7-Eleven, Inc. calculated as percentages of total sales and other income of the 7-Eleven convenience stores that are operating in Cambodia and Laos.

35 Events after the reporting period

- 35.1 In January 2023, the Company invested in CP Seeding Social Impact Co., Ltd. (“CPSSE”), totaling of 27,000 ordinary shares at the price of Baht 100 per share. In this regard, the Company has a 9% investment in CPSSE’s paid-up share capital. The paid-up share capital totaling Baht 3 million was completed.
- 35.2 On 10 February 2023, the Company filed with The Securities and Exchange Commission, a registration statement for the offer for sale of debentures no. 1/2023 that unsubordinated and unsecured debentures and in registered name form, totaling Baht 12,000 million consist of debentures due 2027, 2030 and 2035 which bearing interest at the fixed rate of 2.95%, 3.55% and 4.20% per annum respectively. The debenture will be sold to public offering. This debenture has a credit rating of “A+” updated by TRIS Rating Co., Ltd. on 24 January 2023. The objective of the issuance is to repayment of matured debentures and for working capital.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

- 35.3 At the Board of Directors' meeting of the Company held on 23 February 2023, 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 2022 of Baht 0.75 per share for 8,983 million ordinary shares, totaling Baht 6,737 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.
- 35.4 Local and foreign subsidiaries increased the authorised share capital and called for additional paid-up share capital. The processes of some subsidiaries had already completed in January 2023.
- 35.5 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) held on 20 February 2023, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the final dividends from the profit attributable to equity holders of the Company for the year 2022 of Baht 0.33 per share for 10,580 million ordinary shares, totaling Baht 3,492 million. Such the declaration of final dividend payment must be approved by the shareholders' meeting of the subsidiary.

36 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2021 and statement of income for year ended 31 December 2021 have been reclassified to conform to the presentation in the 2022 financial statements as follows:

| | 2021 | | |
|--|-----------------------------------|---------------------------------------|---------------------------|
| | Consolidated financial statements | | |
| | Before reclassification | Reclassification (in million Baht) | After Reclassification |
| Statement of financial position | | | |
| as at 31 December | | | |
| Cash and cash equivalents | 92,348 | 3,975 | 96,323 |
| Current investments | 4,786 | (3,975) | 811 |
| Other payables | (31,803) | (184) | (31,987) |
| Other non-current liabilities | (687) | 184 | (503) |
| | | <u>-</u> | |
| Statement of income | | | |
| during period ended | | | |
| 31 December | | | |
| Revenue from sale of goods and rendering of services | (565,207) | 147 | (565,060) |
| Other income | (20,536) | (80) | (20,616) |
| Cost of sale of goods and rendering of services | 444,838 | (67) | 444,771 |
| | | <u>-</u> | |

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