

**KERRY EXPRESS (THAILAND) PUBLIC COMPANY LIMITED
(FORMERLY “KERRY EXPRESS (THAILAND) LIMITED”)**

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2020

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Kerry Express (Thailand) Public Company Limited
(Formerly "Kerry Express (Thailand) Limited")

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

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Nopanuch Apichatsatien

Certified Public Accountant (Thailand) No. 5266

Bangkok

27 October 2020

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Financial Position
As at 30 September 2020

		Consolidated	Separate	
		financial information	financial information	
		Unaudited	Unaudited	Audited
		30 September	30 September	31 December
		2020	2020	2019
	Notes	Baht	Baht	Baht
Assets				
Current assets				
Cash and cash equivalents		1,402,422,259	1,346,072,224	909,797,596
Trade and other receivables	7	1,341,535,427	1,341,886,984	1,722,467,760
Short-term loan to related party	17.4	-	30,000,000	-
Inventories	8	100,872,239	100,872,239	136,126,836
Other current assets		47,383,955	48,160,684	49,828,148
Total current assets		2,892,213,880	2,866,992,131	2,818,220,340
Non-current assets				
Investment in subsidiaries	9	-	529,761	-
Plant and equipment	10	2,360,890,680	2,360,890,680	2,706,036,245
Right-of-use assets	10	4,885,551,815	1,282,750,863	-
Intangible assets	10	206,488,019	206,447,821	235,252,274
Deferred tax assets		40,711,089	37,159,538	24,030,209
Deposits		217,220,098	217,220,098	228,278,636
Other non-current assets		-	-	2,389,095
Total non-current assets		7,710,861,701	4,104,998,761	3,195,986,459
Total assets		10,603,075,581	6,971,990,892	6,014,206,799

Director _____

Director _____

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Financial Position (Cont’d)
As at 30 September 2020

		Consolidated	Separate	
		financial information	financial information	
		Unaudited	Unaudited	Audited
		30 September	30 September	31 December
		2020	2020	2019
	Notes	Baht	Baht	Baht
Liabilities and equity				
Current liabilities				
Trade and other payables	11	1,829,005,745	1,891,303,503	1,800,423,281
Cash on delivery payable		451,585,472	451,585,472	884,232,706
Deferred income		71,454,030	71,454,030	15,767,469
Accrued income tax		67,576,685	65,665,471	104,210,680
Current portion of lease liabilities	10	1,829,694,568	597,303,732	-
Other current liabilities		50,192,694	44,968,082	56,420,940
Total current liabilities		4,299,509,194	3,122,280,290	2,861,055,076
Non-current liabilities				
Long-term borrowings from financial institution		800,000,000	800,000,000	800,000,000
Lease liabilities	10	3,130,403,816	691,005,904	-
Employee benefit obligations		94,754,540	76,996,784	66,954,610
Other non-current liabilities		68,260,523	68,260,523	53,034,841
Total non-current liabilities		4,093,418,879	1,636,263,211	919,989,451
Total liabilities		8,392,928,073	4,758,543,501	3,781,044,527

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Financial Position (Cont’d)
As at 30 September 2020

		Consolidated	Separate	
		financial information	financial information	
		Unaudited	Unaudited	Audited
		30 September	30 September	31 December
		2020	2020	2019
	Note	Baht	Baht	Baht
Liabilities and equity (Cont’d)				
Equity				
Share capital				
Authorised share capital				
Ordinary share, 1,780,000,000 shares				
at par value of Baht 0.50 each				
(2019: Ordinary share, 1,200,000 shares				
at par value of Baht 100 each)				
	12	890,000,000	890,000,000	120,000,000
Issued and paid-up share capital				
Ordinary share, 1,440,000,000 shares				
paid-up at Baht 0.50 each				
(2019: Ordinary share, 1,200,000 shares				
paid-up at Baht 100 each)				
	12	720,000,000	720,000,000	120,000,000
Other reserves - share-based payments		21,789,647	21,789,647	21,789,647
Retained earnings				
Appropriated - legal reserve				
		89,000,000	89,000,000	12,000,000
Unappropriated				
		1,378,847,861	1,382,657,744	2,079,372,625
Equity attributable to owners of the parent		2,209,637,508	2,213,447,391	2,233,162,272
Non-controlling interests		510,000	-	-
Total equity		2,210,147,508	2,213,447,391	2,233,162,272
Total liabilities and equity		10,603,075,581	6,971,990,892	6,014,206,799

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2020

	Note	Consolidated financial information	Separate financial information	
		2020 Baht	2020 Baht	2019 Baht
Sales and services income		4,488,633,423	4,488,633,423	5,213,384,407
Cost of sales and services		(3,805,180,094)	(3,839,316,471)	(4,292,494,986)
Gross profit		683,453,329	649,316,952	920,889,421
Other income		20,440,496	46,425,268	23,455,027
Selling expenses		(46,275,307)	(46,275,307)	(108,675,936)
Administrative expenses		(260,725,641)	(260,575,059)	(380,645,107)
Finance costs		(30,794,455)	(19,582,814)	(7,534,277)
Profit before income tax		366,098,422	369,309,040	447,489,128
Income tax		(74,004,075)	(73,404,810)	(88,756,181)
Net profit for the period		292,094,347	295,904,230	358,732,947
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations		(7,193,236)	(7,193,236)	-
Other comprehensive expense for the period, net of tax		(7,193,236)	(7,193,236)	-
Total comprehensive income for the period		284,901,111	288,710,994	358,732,947
Profit attributable to:				
Owners of the parent		292,094,347	295,904,230	358,732,947
Non-controlling interests		-	-	-
		292,094,347	295,904,230	358,732,947
Total comprehensive income attributable to:				
Owners of the parent		284,901,111	288,710,994	358,732,947
Non-controlling interests		-	-	-
		284,901,111	288,710,994	358,732,947
Earnings per share				
Basic earnings per share (Baht)	15	0.20	0.21	1.49

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2020

	Notes	Consolidated financial information	Separate financial information	
		2020 Baht	2020 Baht	2019 Baht
Sales and services income	13	14,688,916,714	14,688,916,714	14,655,445,601
Cost of sales and services		(12,249,974,470)	(12,284,110,847)	(12,482,548,908)
Gross profit		2,438,942,244	2,404,805,867	2,172,896,693
Other income	14	60,467,388	86,452,160	81,166,317
Selling expenses		(180,259,501)	(180,259,501)	(238,603,849)
Administrative expenses		(957,823,298)	(957,672,716)	(876,245,411)
Finance costs		(84,044,451)	(72,832,810)	(17,849,372)
Profit before income tax		1,277,282,382	1,280,493,000	1,121,364,378
Income tax		(247,213,910)	(246,614,645)	(221,170,314)
Net profit for the period		1,030,068,472	1,033,878,355	900,194,064
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations		(7,193,236)	(7,193,236)	-
Other comprehensive expense for the period, net of tax		(7,193,236)	(7,193,236)	-
Total comprehensive income for the period		1,022,875,236	1,026,685,119	900,194,064
Profit attributable to:				
Owners of the parent		1,030,068,472	1,033,878,355	900,194,064
Non-controlling interests		-	-	-
		1,030,068,472	1,033,878,355	900,194,064
Total comprehensive income attributable to:				
Owners of the parent		1,022,875,236	1,026,685,119	900,194,064
Non-controlling interests		-	-	-
		1,022,875,236	1,026,685,119	900,194,064
Earnings per share				
Basic earnings per share (Baht)	15	0.87	0.87	3.75

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2020

Consolidated financial information							
Attributable to owners of the parent							
Notes	Issued and paid-up share capital Baht	Other reserves - Share-based payments Baht	Retained earnings		Total owners of the parent Baht	Non- controlling interests Baht	Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht			
Opening balance at 1 January 2020	120,000,000	21,789,647	12,000,000	2,079,372,625	2,233,162,272	-	2,233,162,272
Issue of shares	12	600,000,000	-	-	600,000,000	-	600,000,000
Issue of shares of subsidiary		-	-	-	-	510,000	510,000
Legal reserve	16	-	77,000,000	(77,000,000)	-	-	-
Dividends	16	-	-	(1,646,400,000)	(1,646,400,000)	-	(1,646,400,000)
Total comprehensive income for the period		-	-	1,022,875,236	1,022,875,236	-	1,022,875,236
Closing balance at 30 September 2020	<u>720,000,000</u>	<u>21,789,647</u>	<u>89,000,000</u>	<u>1,378,847,861</u>	<u>2,209,637,508</u>	<u>510,000</u>	<u>2,210,147,508</u>

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Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2020

Separate financial information					
Notes	Issued and paid-up share capital Baht	Other reserves - Share-based payments Baht	Retained earnings		Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance at 1 January 2019	120,000,000	-	12,000,000	1,357,808,783	1,489,808,783
Dividends	16	-	-	(336,000,000)	(336,000,000)
Total comprehensive income for the period	-	-	-	900,194,064	900,194,064
Closing balance at 30 September 2019	<u>120,000,000</u>	<u>-</u>	<u>12,000,000</u>	<u>1,922,002,847</u>	<u>2,054,002,847</u>
Opening balance at 1 January 2020	120,000,000	21,789,647	12,000,000	2,079,372,625	2,233,162,272
Issue of shares	12	-	-	-	600,000,000
Legal reserve	16	-	77,000,000	(77,000,000)	-
Dividends	16	-	-	(1,646,400,000)	(1,646,400,000)
Total comprehensive income for the period	-	-	-	1,026,685,119	1,026,685,119
Closing balance at 30 September 2020	<u>720,000,000</u>	<u>21,789,647</u>	<u>89,000,000</u>	<u>1,382,657,744</u>	<u>2,213,447,391</u>

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2020

		Consolidated	Separate	
		financial information	financial information	
		2020	2020	2019
Notes		Baht	Baht	Baht
Cash flows from operating activities				
		1,277,282,382	1,280,493,000	1,121,364,378
Profit before income tax				
Adjustments for:				

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2020

	Notes	Consolidated financial information	Separate financial information	
		2020 Baht	2020 Baht	2019 Baht
Cash flow from investing activities				
Cash payment for purchases of plant and equipment		(218,630,364)	(218,631,362)	(1,267,149,627)
Cash payment for purchases of intangible assets		(34,396,217)	(34,354,487)	(112,485,972)
Cash receipt from disposal of equipment		6,094,958	6,094,958	224,299
Cash payment for deposits		(13,366,377)	(13,366,377)	-
Cash payment for short-term loan to related party	17.4	-	(30,000,000)	-
Cash payment for investment in subsidiaries	9	-	(490,000)	-
Net cash used in investing activities		(260,298,000)	(290,747,268)	(1,379,411,300)
Cash flows from financing activities				
Cash receipt from short-term borrowing from financial institutions		-	-	1,100,000,000
Cash repayments to short-term borrowings from financial institutions		-	-	(400,000,000)
Cash payment on lease liabilities		(1,140,221,728)	(1,032,897,860)	-
Proceeds from issue of ordinary shares	12	600,000,000	600,000,000	-
Dividends paid	16	(1,646,400,000)	(1,646,400,000)	(336,000,000)
Proceeds from issue of shares of subsidiaries	9	549,761	-	-
Net cash (used in) generated from financing activities		(2,186,071,967)	(2,079,297,860)	364,000,000
Net increase (decrease) in cash and cash equivalents		492,624,663	436,274,628	(116,136,882)
Opening balance of cash and cash equivalents		909,797,596	909,797,596	569,146,295
Closing balance of cash and cash equivalents		<u>1,402,422,259</u>	<u>1,346,072,224</u>	<u>453,009,413</u>

The accompanying notes are an integral part of this interim financial information.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2020

		Consolidated	Separate	
		financial information	financial information	
		2020	2020	2019
	Notes	Baht	Baht	Baht
Significant non-cash transactions				
Payables arising from purchases of plant and equipment		29,094,414	29,094,414	59,570,471
Payables arising from purchases of intangible assets		515,740	515,740	235,165
Payables arising from investment in a subsidiary	9	-	39,761	-
Provision arising from decommissioning costs		4,423,018	4,423,018	5,345,481
Acquisition of right-of-use assets under lease contracts	10	384,311,118	384,311,118	-
Acquisition of right-of-use assets under lease contracts from lease modification	10	1,583,930,243	-	-
Transfer lease contracts to subsidiary	10	-	2,170,397,601	-
Plant and equipment transferred to other current assets	10	5,139,508	5,139,508	-

The accompanying notes are an integral part of this interim financial information.

1 General information

Kerry Express (Thailand) Public Company Limited (“the Company”) is a public limited company, incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

Head office : No.89 Chao Phaya Tower, 9 Fl. Room 906, Soi Wat Suanphloo, Charoen Krung Rd. Bang Rak, Bangkok 10500.

Main hub : 33/2 Moo7 Bang Pla, Bang Phli, Samut Prakarn 10540.

The Company registered to transform to a public limited company with the Department of Business Development on 24 February 2020. As a result, the Company changed its name from Kerry Express (Thailand) Limited to Kerry Express (Thailand) Public Company Limited.

The principal business operations of the Company and its subsidiaries (“the Group”) is domestic parcel delivery service. Kerry Logistics Network Limited, incorporated in British Virgin Islands and continued into Bermuda, is the ultimate parent company.

The interim consolidated and separate financial information are presented in Thai Baht, unless otherwise stated.

This interim consolidated and separate financial information was authorised for issue by the Company’s authorised directors on 27 October 2020.

2 Basis of preparation

The interim consolidated and separate financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

An English version of this consolidated and separate interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The Group prepares the interim consolidated financial information for the period ended 31 March 2020 for the first time since the Company established a subsidiary on 17 February 2020 as described in note 9.

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following:

- 1) the adoption of the new financial reporting standards as described in note 4; and
- 2) the application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020 by applying of the relevant relief measures to the adoption of the new financial reporting standards as described in note 4.

Management considers that the outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has no significant impact to the Group. However, the Group applies the temporary measures to relieve the impact from COVID-19 in respect to modification of lease contracts due to the situation of COVID-19 as described in note 4.

4 Adoption of new financial reporting standards and changes in accounting policies

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) on 1 January 2020. The reclassifications and adjustments arising from the new requirements are recognised in the opening statement of financial position on 1 January 2020 under modified retrospective approach and the comparative figures have not been restated.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

Consolidated and separate financial information				
	As at 31 December 2019 previously reported Baht	TAS 32 and TFRS 9 reclassifications and adjustments Baht	TFRS 16 reclassifications and adjustments Baht	As at 1 January 2020 restated Baht
Current assets				
Trade and other receivables	1,722,467,760	-	(11,840,585)	1,710,627,175
Non-current assets				
Right-of-use assets	-	13,577,450	4,170,110,355	4,183,687,805
Deposits	228,278,636	(13,577,450)	-	214,701,186
Other non-current assets	2,389,095	-	(2,389,095)	-
Current liabilities				
Current portion of lease liabilities	-	-	1,586,524,647	1,586,524,647
Non-current liabilities				
Lease liabilities	-	-	2,569,356,028	2,569,356,028

The Group has adopted the new financial reporting standards relating to financial instruments from 1 January 2020 and classifies the deposits as financial assets measured at amortised cost.

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid relating to that lease recognised in the statement of financial position as at 31 December 2019. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2020. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2020 was ranged between 1.96% to 4.11%.

	Consolidated and separate financial information Baht
Operating lease commitments disclosed as at 31 December 2019	4,413,773,293
Less: Discounted using the lessee’s incremental borrowing rate of at the date of initial application	(108,379,106)
Less: Short-term leases recognised on a straight-line basis as expense	(294,875,859)
Less: Low-value leases recognised on a straight-line basis as expense	(227,386,428)
Less: Contracts reassessed as service agreements	(154,380,374)
Add: Adjustments as a result of extension option	527,129,149
Lease liabilities recognised as at 1 January 2020	4,155,880,675
Current lease liabilities	1,586,524,647
Non-current lease liabilities	2,569,356,028

The recognised right-of-use assets relate to the following types of assets:

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	1 January 2020 Baht
Vehicles	3,609,147,208	6,346,256	2,633,388,985
Plant	1,263,512,351	1,263,512,351	1,532,871,177
Operating equipment	12,892,256	12,892,256	17,427,643
Total right-of-use assets	4,885,551,815	1,282,750,863	4,183,687,805

Practical expedients applied

In applying TFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- low-value leases contracts
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining Whether an Arrangement Contains a Lease.

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Other financial assets

Classification and measurements

From January 2020, the Group classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward-looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, contract assets, and lease receivables which the Group applies the simplified approach in determining its expected credit loss. However, the impact from change in basis of impairment assessment in accordance with this financial reporting standards does not have significant impact to the financial statements.

Leases

The Group leases various parcel shops, offices, warehouses and vehicles. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Before 2020 financial year, leases of property, plant and equipment were classified operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise motorbike and small items of office equipment.

Lease Modifications

At the date of lease modifications, the Group shall account for lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined. At commencement date, the Group shall account for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset for all other lease modifications.

During the reporting period, the Group received discounts in the lease payments from lessors due to the COVID-19 situation. The Group has chosen not to account for discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The effect of receiving discounts of Baht 122,544 are recognised in profit or loss.

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2020

The following table is the additional information which shows the amounts of current year line items effected from the adoption of TAS 32, TFRS 9 and TFRS 16 compared to the previous standards.

	Consolidated financial information			
	Amounts as reported Baht	Impacts from TAS 32 and TFRS 9 Baht	Impacts from TFRS 16 Baht	Amounts under the previous standard Baht
Statement of financial position as at 30 September 2020				
Trade and other receivables	1,341,535,427	-	44,517,093	1,386,052,520
Right-of-use assets	4,885,551,815	(6,564,703)	(4,878,987,112)	-
Deposits	217,220,098	5,230,815	-	222,450,913
Other non-current assets	-	-	2,300,209	2,300,209
Trade and other payables	1,829,005,745	-	96,097,063	1,925,102,808
Current portion of lease liabilities	1,829,694,568	-	(1,829,694,568)	-
Lease liabilities	3,130,403,816	-	(3,130,403,816)	-
Unappropriated retained earnings	1,378,847,861	-	30,497,623	1,409,345,484
Statement of comprehensive income for the nine-month period ended 30 September 2020				
Cost of sales and services	(12,249,974,470)	-	(38,572,925)	(12,288,547,395)
Impact from TFRS 16 comprise of impact from the following expenses:				
- Depreciation and amortisation		-	1,220,228,727	
- Rental expenses		-	(1,258,801,652)	
Total		-	(38,572,925)	
Administrative expenses	(957,823,298)	-	1,206,021	(956,617,277)
Impact from TFRS 16 comprise of impact from the following expenses:				
- Depreciation and amortisation		-	21,959,819	
- Rental expenses		-	(20,753,798)	
Total		-	1,206,021	
Other income	60,467,388	(1,332,890)	-	59,134,498
Finance costs	(84,044,451)	-	69,197,417	(14,847,034)
Net profit	1,030,068,472	(1,332,890)	31,830,513	1,060,566,095

	Separate financial information			Amounts under the previous standard Baht
	Amounts as reported Baht	Impacts from TAS 32 and TFRS 9 Baht	Impacts from TFRS 16 Baht	
Statement of financial position as at 30 September 2020				
Trade and other receivables	1,341,886,984	-	15,851,793	1,357,738,777
Right-of-use assets	1,282,750,863	(6,564,703)	(1,276,186,160)	-
Deposits	217,220,098	5,230,815	-	222,450,913
Other non-current assets	-	-	2,300,209	2,300,209
Trade and other payables	1,891,303,503	-	7,362,295	1,898,665,798
Current portion of lease liabilities	597,303,732	-	(597,303,732)	-
Lease liabilities	691,005,904	-	(691,005,904)	-
Unappropriated retained earnings	1,382,657,744	-	21,579,295	1,404,237,039
Statement of comprehensive income for the nine-month period ended 30 September 2020				
Cost of sales and services	(12,284,110,847)	-	(11,494,840)	(12,295,605,687)
Impact from TFRS 16 comprise of impact from the following expenses:				
- Depreciation and amortisation		-	1,068,701,835	
- Rental expenses		-	(1,080,196,675)	
Total		-	(11,494,840)	
Administrative expenses	(957,672,716)	-	1,206,021	(956,466,695)
Impact from TFRS 16 comprise of impact from the following expenses:				
- Depreciation and amortisation		-	21,959,819	
- Rental expenses		-	(20,753,798)	
Total		-	1,206,021	
Other income	86,452,160	(1,332,890)	(24,784,772)	60,334,498
Finance costs	(72,832,810)	-	57,985,776	(14,847,034)
Net profit	1,033,878,355	(1,332,890)	22,912,185	1,055,457,650

5 Estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Consolidation of an entity with less than 50% ownership

Management considers that the Group has control over Kerry Express Service Limited with 90.52% of the voting rights even though the Group has less than 50% ownership.

6 Segment information

The Group has not presented segment information since the chief operating decision-maker considers the Group only operates in one segment which is the domestic parcel delivery business. The chief operating decision-maker primarily uses of segment profit before tax, which is derived on a basis consistent with the measurement of profit for the period in the financial statements. The revenue by group of customers is disclosed in note 13.

7 Trade and other receivables

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Trade receivables - third parties	865,246,776	865,246,776	1,172,703,690
- related parties (note 17.3)	54,754,987	54,754,987	62,196,733
<u>Less</u> Allowance for impairment	(8,144,822)	(8,144,822)	(9,654,985)
Trade receivables, net	911,856,941	911,856,941	1,225,245,438
Other receivables - related parties (note 17.3)	1,692,153	3,040,353	6,810,686
Accrued income - third parties	349,859,831	348,863,188	418,717,810
- related parties (note 17.3)	2,419,033	2,419,033	2,061,338
Accrued interest income	873,965	873,965	123,449
Prepayments	74,833,504	74,833,504	69,509,039
Total	1,341,535,427	1,341,886,984	1,722,467,760

As at 30 September 2020 and 31 December 2019, trade receivables, included in trade and other receivables in the statements of financial position, can be analysed by aging as follows:

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Up to 3 months	911,145,492	911,145,492	1,226,123,930
3 - 6 months	2,299,164	2,299,164	2,243,462
6 - 12 months	625,790	625,790	2,333,642
Over 12 months	5,931,317	5,931,317	4,199,389
	920,001,763	920,001,763	1,234,900,423
<u>Less</u> Allowance for impairment	(8,144,822)	(8,144,822)	(9,654,985)
	911,856,941	911,856,941	1,225,245,438

8 Inventories

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Boxes	42,600,362	42,600,362	19,605,961
Satchels	16,116,370	16,116,370	58,541,319
Labels and tapes	24,572,033	24,572,033	27,781,216
Others	17,583,474	17,583,474	30,198,340
Total	100,872,239	100,872,239	136,126,836

9 Investment in subsidiaries

9.1 Investment details

As at 30 September 2020, details of investment in subsidiaries are as follows:

Entity name	Country of incorporation	Nature of business	% of holding interest		Investment at cost method	
			2020 %	2019 %	2020 Baht	2019 Baht
Subsidiaries						
KETH Corporate Services Limited	Hong Kong	Providing administrative and corporate support	100.00	-	39,761	-
Kerry Express Service Limited	Thailand	Providing transportation services	49.00	-	490,000	-

9.2 Movements of investment

Movements of investment in subsidiaries for the nine-month period ended 30 September 2020 are as follows:

	Separate financial information	
	Investment at cost method	
	2020 Baht	2019 Baht
Opening net book amount	-	-
Increase in investment	529,761	-
Closing net book amount	529,761	-

On 4 February 2020, the Executive Committee’s meeting approved to establish a new subsidiary, KETH Corporate Services Limited, in Hong Kong with the registered share capital of Hong Kong Dollar 10,000 represents 10,000 ordinary shares with a par value of Hong Kong Dollar 1 each. The Company acquired 100% ownership interest in KETH Corporate Services Limited with the aim to provide administrative and corporate support for the Company. The new subsidiary was registered on 17 February 2020. Kerry Logistics (Hong Kong) Limited, a related company, has paid the share subscription on behalf of the Company amounting to Hong Kong Dollar 10,000.

On 24 June 2020, the Executive Committee’s meeting approved to establish a new subsidiary, Kerry Express Service Limited (KESL) with the registered capital of Baht 1 million including 4,900 ordinary shares and 5,100 preferred shares with a par value of Baht 100. The Company holds all common shares of the new subsidiary while Miracle Rich Holding Limited, a related party, holds all preferred shares which ten preferred shares is equal to one vote. The preferred shares shall receive only fixed dividend at 5% per annum of the paid-up value of the preferred shares which is made on a non-cumulative basis and shall not be entitled to any a residual. The new subsidiary will provide the Company with the transportation services. The new subsidiary was registered on 3 July 2020.

10 Plant and equipment, right-of-use assets and intangible assets

Movements of plant and equipment, right-of-use assets and intangible assets for nine-month period ended 30 September 2020 are as follows:

	Consolidated financial information		
	Plant and equipment Baht	Right-of-use assets Baht	Intangible assets - computer software Baht
Opening net book amount	2,706,036,245	-	235,252,274
The adjustment items upon adoption of TFRS 16 (note 4)	-	4,183,687,805	-
Opening net book amount (restated)	2,706,036,245	4,183,687,805	235,252,274
Additions	227,866,903	384,311,118	14,352,570
Disposals, net	(23,484,016)	-	-
Cancellation of lease contracts	-	(35,880,516)	-
Modification of lease contracts	-	1,583,930,243	-
Transfer out	(5,139,508)	-	-
Depreciation and amortisation	(544,388,944)	(1,230,496,835)	(43,116,825)
Closing net book amount	2,360,890,680	4,885,551,815	206,488,019
	Separate financial information		
	Plant and equipment Baht	Right-of-use assets Baht	Intangible assets - computer software Baht
Opening net book amount	2,706,036,245	-	235,252,274
The adjustment items upon adoption of TFRS 16 (note 4)	-	4,183,687,805	-
Opening net book amount (restated)	2,706,036,245	4,183,687,805	235,252,274
Additions	227,866,903	384,311,118	14,310,840
Disposals, net	(23,484,016)	-	-
Cancellation of lease contracts	-	(35,880,516)	-
Transfer lease contracts to subsidiary	-	(2,170,397,601)	-
Transfer out	(5,139,508)	-	-
Depreciation and amortisation	(544,388,944)	(1,078,969,943)	(43,115,293)
Closing net book amount	2,360,890,680	1,282,750,863	206,447,821

During the period ended 30 September 2020, the Company transferred all lease contracts of trucks and pick-up trucks from the Company to Kerry Express Service Limited. As a result, the Company reversed right-of-use assets and lease liabilities amount of Baht 2,170.40 million and Baht 2,195.18 million respectively and recognised gain from transferring lease contracts amount of Baht 24.78 million in the separate financial information (note 14). In relation to the lease transfer, the Group has agreed to change certain conditions of the lease contracts such as lease period, monthly lease payment and obligation to purchase assets at end of lease period etc. These changes have been considered as lease modifications under TFRS 16, as a result, the Group adjusted the balance of right-of-use assets and lease liabilities at the modification date amounting to Baht 1,583.93 million in the consolidated financial information.

11 Trade and other payables

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Trade payable - third parties	567,897,318	475,285,038	465,093,441
- related parties (note 17.3)	-	179,945,093	850
Other payables - third parties	101,973,320	100,248,430	133,378,295
- related parties (note 17.3)	1,327,567	57,892,572	14,031,892
Accrued staff costs	648,234,461	585,497,080	589,389,088
Accrued agent service fees	92,471,415	92,471,415	106,028,210
Accrued transportation expense	28,508,622	28,508,622	176,660,295
Accrued rental expense	27,997,943	27,997,943	26,110,324
Other accruals - third parties	252,664,041	235,526,252	185,476,608
- related parties (note 17.3)	17,772,705	17,772,705	18,249,115
Refundable deposits	6,513,493	6,513,493	9,720,116
Deferred rebate	83,644,860	83,644,860	76,285,047
Total	1,829,005,745	1,891,303,503	1,800,423,281

12 Share capital

Movements of share capital for nine-month period ended 30 September 2020 are as follows:

	Consolidated and separate financial information			
	Authorised share capital		Issued and paid-up share capital	
	Number of shares	Amount Baht	Number of shares	Amount Baht
Opening balance	1,200,000	120,000,000	1,200,000	120,000,000
Change in par value of share	238,800,000	-	238,800,000	-
Issue of shares	1,540,000,000	770,000,000	1,200,000,000	600,000,000
Closing balance	1,780,000,000	890,000,000	1,440,000,000	720,000,000

On 17 February 2020, the Extraordinary Shareholders Meeting passed the resolutions to approve the change in the par value of the Company's ordinary shares from Baht 100 to Baht 0.50 per share. As a result, the number of registered shares increased from 1.20 million shares to 240 million shares. The shareholders also passed a resolution to approve the increase in the registered shares by 1,540 million shares at the par value of Baht 0.50 per share totalling Baht 770 million. After the increase, the Company's registered shares are 1,780 million shares at the par value of Baht 0.50 per share totalling Baht 890 million. The Company registered the increased share capital with the Ministry of Commerce on 24 February 2020.

On 27 February 2020, the Company received subscription of newly issued 1,200 million shares at par value of Baht 0.50 per share, totalling Baht 600 million.

On 17 February 2020, the Extraordinary Shareholders Meeting passed the resolutions to approve to grant ESOP warrants to the Company's executives and employees totalling not exceed 40,000,000 units. The exercise price is equal to the price of initial public offerings. The exercise right is 1 warrant per 1 ordinary share. The 50% of warrants are exercisable commencing from the completion of one year from the grant date and the remaining are exercisable commencing from two years from the grant date. The warrants have the period of 5 years from the grant date. As at 30 September 2020, ESOP warrants have not been granted to the eligible employees.

13 Sales and services income

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Parcel delivery services income	14,443,279,860	14,443,279,860	14,334,994,156
Sales income	231,821,856	231,821,856	185,092,510
Advertising income	13,814,998	13,814,998	135,358,935
Total	14,688,916,714	14,688,916,714	14,655,445,601

Sales and parcel delivery service income (exclude advertising income) are categorised by types of customers as follows:

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Business to Business (B2B)	256,670,859	256,670,859	314,243,380
Business to Customer (B2C)	6,503,776,794	6,503,776,794	6,433,424,097
Customer to Customer (C2C)	7,914,654,063	7,914,654,063	7,772,419,189
Total	14,675,101,716	14,675,101,716	14,520,086,666

14 Other income

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Commission income	773,778	773,778	5,239,198
Management service income	27,875,000	29,075,000	14,155,000
IT service income	2,471,144	2,471,144	22,510,152
Interest income	6,414,579	6,414,579	5,124,317
Gain from transfer of lease contracts to subsidiary (note 10)	-	24,783,774	-
Others	22,932,887	22,933,885	34,137,650
Total	60,467,388	86,452,160	81,166,317

15 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	Consolidated financial information	Separate financial information	
	2020	2020	2019
For the three-month period ended 30 September			
Net profit attributable to owners of the parent (Baht)	292,094,347	295,904,230	358,732,947
Weighted average number of ordinary shares outstanding (shares)	1,440,000,000	1,440,000,000	240,000,000
Basic earnings per share (Baht per share)	0.20	0.21	1.49
	Consolidated financial information	Separate financial information	
	2020	2020	2019
For the nine-month period ended 30 September			
Net profit attributable to owners of the parent (Baht)	1,030,068,472	1,033,878,355	900,194,064
Weighted average number of ordinary shares outstanding (shares)	1,190,364,964	1,190,364,964	240,000,000
Basic earnings per share (Baht per share)	0.87	0.87	3.75

On 17 February 2020, the Extraordinary Shareholders Meeting approved the change in the par value of the Company's ordinary shares from Baht 100 to Baht 0.50 per share (note 12). The Group calculated basic earnings per shares for those periods based on the new number of shares. The weighted average number of ordinary shares used as the denominator in calculating basic earnings per share for the three-month and nine-month period ended 30 September 2019 have been adjusted to reflect such changes as if the change occurred since the beginning of such periods.

There are no potential dilutive ordinary shares in issue during the period.

16 Dividends and legal reserve

On 14 August 2020, the Board of Directors' Meeting approved an interim dividend payment in respect of the financial results of 2020 at Baht 0.435 per share for 1,440 million ordinary shares totalling Baht 626.40 million and appropriate its net income to legal reserve amounting to Baht 10.50 million. The dividends were paid on 11 September 2020.

On 23 April 2020, the Annual General Meeting of Shareholders approved an annual dividend payment in respect of the financial results of 2019 at Baht 0.25 per share for 1,440 million ordinary shares totalling Baht 360 million and appropriate its net income to legal reserve amounting to Baht 66.50 million. The dividends were paid on 22 May 2020.

On 17 January 2020, the Board of Directors' meeting approved an interim dividend payment in respect of the financial results of 2019 at Baht 550 per share for 1,200,000 ordinary shares totalling Baht 660 million. The dividends were paid on 13 February 2020.

On 29 March 2019, the Board of Directors' meeting approved an interim dividend payment in respect of the financial results of 2018 at Baht 280 per share for 1,200,000 ordinary shares totalling Baht 336 million. The dividends were paid in May 2019.

17 Related party transactions

The Group’s parent is KLN Logistics (Thailand) Limited which owns 63% of the Company’s shares. The Group’s ultimate controlling party is Kerry Logistics Network Limited, incorporated in British Virgin Islands and continued into Bermuda.

Pricing policy regarding business transactions with related entities comprises the followings:

Related transaction	Pricing policy
Sales and service income	Mutually-agreed price by referring to market price or actual cost incurred plus margin
Management service income	Mutually-agreed price by referring to actual cost incurred plus margin
Commission income	Mutually-agreed price by referring to market price
Interest income	Fixed rate at 2.50% per annum
Cost of services, purchase of equipment and advertising	Mutually-agreed price by referring to market price or actual cost incurred plus margin
Transaction fee	Fixed percentage by referring to market price
Management fee and IT service fee	Mutually-agreed price by referring to actual cost incurred
Cost of office rental and services	Mutually-agreed price by referring to market price

The following transactions were carried out with related parties:

17.1 Sales of goods and services

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Revenues			
Sales of services to:			
Shareholder	1,724,379	1,724,379	-
Related parties	185,667,532	185,667,532	101,692,767
	187,391,911	187,391,911	101,692,767
Other income			
Management service income from:			
Subsidiary	-	1,260,000	-
Commission income from:			
Joint venture of shareholder	39,503	39,503	4,578,032
Sales of equipment:			
Related parties	54,082	54,082	-

17.2 Purchases of goods and services

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Purchases of services from:			
Shareholder	8,711,060	8,711,060	13,661,760
Subsidiary	-	463,456,011	-
Related parties	11,914,081	11,914,081	7,339,106
	20,625,141	484,081,152	21,000,866
Transaction fee:			
Joint venture of shareholder	12,129,180	12,129,180	22,046,219
Rental and service expenses:			
Shareholder	1,013,690	1,013,690	-
Related parties	42,499,203	42,499,203	97,881,470
	43,512,893	43,512,893	97,881,470

Kerry Express (Thailand) Public Company Limited
(Formerly “Kerry Express (Thailand) Limited”)
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2020

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Payments on lease liabilities:			
Shareholder	2,125,105	2,125,105	-
Related parties	63,197,264	63,197,264	-
	65,322,369	65,322,369	-
Interest expense on lease liabilities:			
Shareholder	233,345	233,345	-
Related parties	2,018,306	2,018,306	-
	2,251,651	2,251,651	-
IT service fee:			
Related parties	11,216,914	11,216,914	33,073,644
Purchases of equipment from:			
Related parties	-	-	176,654

17.3 Outstanding balances arising from sales/purchases of goods/services

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Trade receivables from:			
Related parties	54,754,987	54,754,987	62,196,733
Other receivables from:			
Subsidiary	-	1,348,200	-
Related parties	1,692,153	1,692,153	6,810,686
	1,692,153	3,040,353	6,810,686
Accrued income from:			
Related parties	2,419,033	2,419,033	2,061,338
Deposit and advance to:			
Shareholder	1,006,196	1,006,196	-
Related parties	25,467,177	25,467,177	32,202,576
	26,473,373	26,473,373	32,202,576
Trade payables to:			
Subsidiary	-	179,945,093	-
Related parties	-	-	850
	-	179,945,093	850
Other payables to:			
Subsidiary	-	56,565,005	-
Related parties	1,327,567	1,327,567	14,031,892
	1,327,567	57,892,572	14,031,892
Cash on delivery payable to:			
Related parties	7,503,541	7,503,541	10,347,019
Accruals to:			
Related parties	17,772,705	17,772,705	18,249,115

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Lease liabilities:			
Shareholder	10,467,250	10,467,250	-
Related parties	103,542,329	103,542,329	-
	114,009,579	114,009,579	-
Refundable deposits from:			
Related parties	21,521,161	21,521,161	14,856,767

17.4 Short-term loan to related party

The movements of short-term loan to related party for the nine-month period ended 30 September 2020 and 31 December 2019 are as follows:

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
Opening book value, net	-	-	-
Loan advanced during the period	-	30,000,000	-
Closing book value, net	-	30,000,000	-

The short-term loans to related party are unsecured loans denominated in Thai Baht. The loans bear interest rate at 2.50% per annum. These loans are due on 30 September 2021.

17.5 Key management compensation

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	Consolidated financial information	Separate financial information	
	2020 Baht	2020 Baht	2019 Baht
For the nine-month period ended 30 September			
Salaries and other short-term employee benefits	43,890,214	43,890,214	27,390,116
Post-employment benefits	769,407	769,407	252,414
	44,659,621	44,659,621	27,642,530

18 Commitments and contingent liabilities

18.1 Capital expenditure commitments

Capital expenditures contracted but not recognised in the financial statements are as follows:

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Purchases of equipment	20,981,651	793,570,238	36,782,753
Purchases of intangible assets	1,287,560	1,287,560	2,485,780
	22,269,211	794,857,798	39,268,533

Capital expenditures arisen from purchases of equipment in the separate financial information include the Company's commitments to purchase pick-up trucks from lessors at end of lease contracts of subsidiary during 2022 to 2023.

18.2 Leases - where the Group is lessee

The Group entered into various leases in respect of parcel shops, offices, warehouses and vehicles which are non-cancellable agreements. The majority of lease terms are between 1 year and 5 years renewable at the end of the lease period at market rate.

As at 30 September 2020 and 31 December 2019, commitments for minimum lease payments and related services in relation to non-cancellable leases which are not recognised in statement of financial position are as follows:

	Consolidated financial information	Separate financial information	
	30 September 2020 Baht	30 September 2020 Baht	31 December 2019 Baht
Not later than 1 year	386,881,955	386,881,955	2,032,402,374
Later than 1 year but not later than 5 years	101,597,855	97,263,499	2,370,881,218
Later than 5 years	-	-	10,489,701
	488,479,810	484,145,454	4,413,773,293

From 1 January 2020, the Group has recognised lease liabilities for these leases in the financial statements, except for short-term and low-value leases, see note 4. Therefore, the commitments as at 30 September 2020 and 31 December 2019 are non-comparable.

18.3 Letters of bank guarantee

As at 30 September 2020, the Group has letters of bank guarantee issued by a bank for the purpose of the ordinary course of business amounting to Baht 20,936,843 (31 December 2019: Baht 18,614,843).

18.4 Guarantee

As at 30 September 2020, the Company guarantees to lessors under the lease contracts of trucks and pick-up trucks which are leased by a subsidiary. The guarantees are the full amount of lease payments amounting to Baht 3,008.21 million (31 December 2019: Nil).

19 Events occurring after the reporting date

During the period ended 30 September 2020, the Company transferred all lease contracts of pick-up trucks from the Company to Kerry Express Service Limited and changed the terms of lease contracts where some are effective on 1 October 2020. The Group has not yet recognised the impact of these modified lease contracts in the interim financial information as at 30 September 2020. The impact of modified contracts will be recognised in the consolidated financial information on the effective date, 1 October 2020, by increasing in right-of-use and lease liabilities amount of Baht 588.27 million.