



# Annual Report and CSR Report

## 2015

[www.bigc.co.th](http://www.bigc.co.th)



The Marketplace  
at the Heart  
of the Community



# Priorities 2016



Omni-channel player  
and strong  
dual retail model



Price leadership



Customer and  
community focus



Tight financial  
discipline and asset  
monetization



Accelerated  
expansion

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# Financial Highlights

## Income statement

(Unit : Million Baht)

	2013	2014	2015
Sales	118,177	121,845	119,620
Cost of sales and service	100,490	103,620	103,174
Gross profit	17,687	18,225	16,446
Rental, service and other income	12,794	13,550	14,089
Profit before finance cost and income tax expenses	9,545	9,871	9,201
Profit attributable to equity holders of the company	6,976	7,235	6,898

## Statement of financial position

(Unit : Million Baht)

	2013	2014	2015
Total assets	97,164	102,778	94,571
Total liabilities	60,126	60,632	47,900
Total shareholders' equity	37,038	42,147	46,671

## Financial ratios

	2013	2014	2015
Gross profit margin (Percent)	15.0	15.0	13.7
Net profit margin (Percent)	5.9	5.9	5.8
Earnings per share (Baht)	8.5	8.8	8.4

Find out more at

[www.bigc.co.th](http://www.bigc.co.th)



Total Revenue :  
133.7 billion Baht

**-1.2%**

Rental and Service Income :  
9.8 billion Baht

**+4.3%**

Total number of stores :  
734 Stores

**+101** new stores

Net Debt :  
9.6 billion Baht

**-27.4%**

SG&A expenses-to-Sales :  
17.8%

**- 5** basis points

Total number of town centers :  
174 Stores

**+20** new town centers

Note : Compared 2015 : 2014

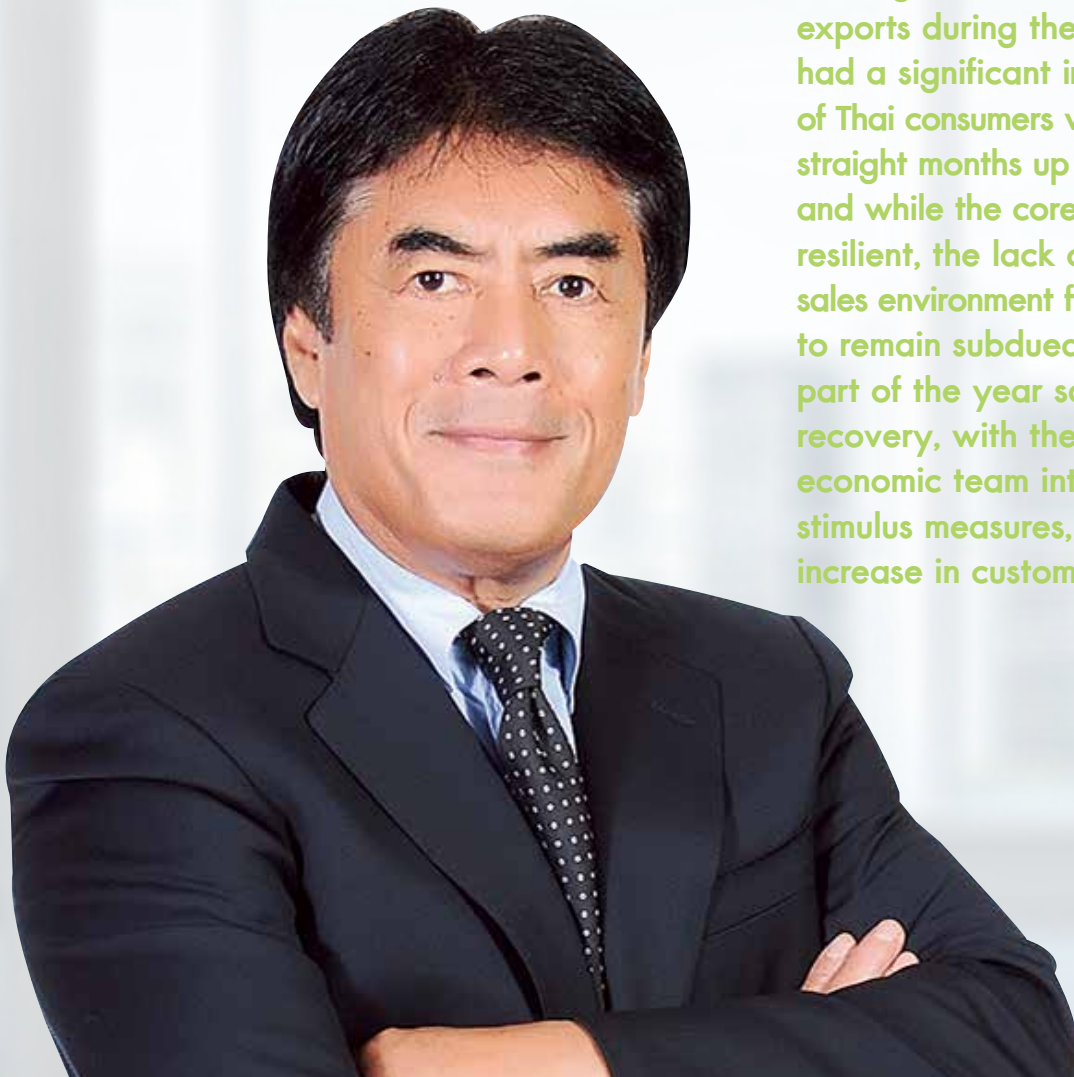
# Chairman's letter

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Dear Shareholder,

Many of the challenges of 2014 have continued into 2015, with low consumer consumption, high household debt levels, and slow global economic recovery, causing continued contraction of Thai exports during the year. These conditions had a significant impact on the confidence of Thai consumers which declined for nine straight months up until September 2015, and while the core food businesses proved resilient, the lack of confidence caused the sales environment for general merchandise to remain subdued. However, the later part of the year saw hopes of economic recovery, with the Government's new economic team introducing new economic stimulus measures, leading to a modest increase in customer confidence.

Akani Thapthimthong,  
Chairman of the Board





## **We maintain our price leadership position**

As the retail industry's price leader, we were there throughout the year to help our customers save costs during these economically challenging times, and in fact, we offered more than 5,000 items at lower prices than in the previous year! Our supply chain overhaul was completed in mid-2015. The new facilities should enable us improve our inventories and working capital moving forward. The new distribution centers will also provide us with an opportunity to accommodate more profitable expansion in the future. This, coupled with our various cost optimization initiatives, enabled us to maintain our price leadership position in a very competitive market.

Last year, we extended our reach into new communities with our continued expansion of all store formats, and we are now ready to ramp up our hypermarket expansion in the coming years. As a dual retail-property operator, we also worked hard to improve our existing assets through store renovations during the year, and we are planning to significantly increase major renovations in 2016 and further leverage our existing assets. In addition, the Board of Directors decided to start exploring available monetization options for our real estate portfolio in 2016.

Our stores have fulfilled the Company's vision of becoming the marketplace at the heart of countless communities; we have become a part of millions of people's lives across Thailand. It is very important for us maintain our position as a good neighbor and give back to our communities. During the year, we implemented numerous initiatives to promote better health, improve the environment, and engage with local communities. Our "Joining Hands for a Better Community" campaign is a bottom-up CSR program that has been organized for the second year and has enabled us to work closely with local communities and the Ministry of Interior, selecting a number of potential projects to support. In the process, we also provided opportunities for our customers to participate by voting for their favorite projects, which we then implemented during the year.

We have continued to ingrain the concept of good governance as part of our operations and corporate culture. In particular, to fulfill the commitment we made in 2014 when we signed a declaration of intent with the Private Sector Collective Action Coalition against Corruption (CAC), we established our fraud risk management framework and policies, and formed the Corporate Ethics Committee (CEC), along with a whistleblowing channel, to receive complaints and reports on potential fraud and corruption. I am very pleased to inform you that our work on corporate governance has not gone unnoticed, as we received recognition for our efforts when the Thai Institute of Directors rated our company, for the first time ever, at "Excellent Level" during their yearly assessment of publicly-listed Thai companies.

## **our Corporate Governance is rated at "Excellent Level"**

Finally, I would like to once again express my gratitude to every member of the Big C family: our valued customers, our business partners, and especially our employees. Thanks to your efforts, hard work and support, we have risen up to meet and overcome the challenges, and with our strengthened platform and solid balance sheet, we are ready to embrace 2016.

## **Our "Joining Hands for a Better Community" campaign is a bottom-up CSR program**

# CEO's letter

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**Dear Shareholder,**

The Thai economy again faced challenges throughout 2015, during the year we took a big step in repositioning our customer offer, with a better balance between “Item & Price” and coupons. The launch of the “5,000 Items Cheaper than Last Year” campaign highlighted our strong position as the industry’s price leader in Thailand, helping our customers save on their daily and weekly purchases during these challenging economic times, with the average basket of goods 4.9% lower than last year.

**Robert James Cissell,**  
CEO and President



## concentrating on **5 key** Priorities

This undoubtedly caused us some short term pain, especially during the third quarter and the first two months of the fourth quarter, but I am convinced that this was the right thing to do for our customers and to drive sales and margin for the long term - as demonstrated by the improvement in performance in December 2015 and January 2016 with positive like-for-like sales performance and volume growth.

We completed the revamp of our supply chain with the opening of our new state-of-the-art fresh food facility in Ladkrabang, Bangkok. Many of our larger stores were improved by simple retail space reflows, or through renovations to leverage our existing assets. Our retail network continued to expand, with 121 outlets opened across all formats. We also drove tight financial discipline through various successful operational excellence and cost optimization initiatives and we were able to reduce our selling, general and administrative expenses.

Our actions from 2015 leave us in a much stronger position as we enter 2016. We will continue to reinforce our positioning as “the Marketplace at the Heart of the Community” by concentrating on the following priorities:

- **Omni-channel retail with strong dual retail-property model:** We continue to further develop and connect our various formats – both physical stores and town centers as well as online offerings – and we will significantly ramp-up major store renovations adding rental space to town centers, where tenants complement our store offerings and provide stability to our income.
- **Price leadership:** As a price leader, we are ideally positioned to serve our customers’ needs and we are determined to maintain this position.
- **Customer and community focus:** We will continue to focus on our newly repositioned customer offer. We will also continue our engagement with communities surrounding our stores to cement our positioning as “The Marketplace at the Heart of the Community”.
- **Tight financial discipline and asset monetization:** To maintain our profitability and price leadership, we will continue to drive our operational efficiency, with a strong focus on our supply chain.
- **Accelerated expansion:** With our growing store network, we are able to serve a larger proportion of the Thai population, and in 2016 we will continue our expansion in all formats, especially our hypermarket store format.

**To position ourselves at the “Heart of the Community”,** we give back to the communities and maintain our standing as a good corporate citizen. The concept of CSR is already an integral part of our business, for example, we have maintained our cooperation with local producers and purchased directly from local farmers as part of our normal contract procedures, providing income directly to local communities and at the same time improving our fresh food offerings.

As a committed and socially-conscious employer, we have the highest percentage of associates with disabilities working at our stores and offices. In addition, our strong diversity policy provides equal employment opportunities to all, regardless of race or gender. We continue to conduct “Corporate Ethics” training workshops for our associates, with our commitment to conducting our business ethically and transparently and to prevent fraud and corruption in all parts of our operations. We truly believe that our culture of good corporate governance is paramount to our success, as it ensures the sustainability of our business.

I would like to conclude this letter by extending once again my heartfelt appreciation to our associates, business partners, and customers for their support during the past year. I look forward to working with you all in 2016, and I know we will continue growing stronger together.

**We will  
continue  
growing  
stronger together**

# Board of Directors



**Mr. Akani Thapthimthong**  
Chairman, Independent Director



**Mr. Robert James Cissell**  
Managing Director



**Mr. Sun Vithespongse**  
Independent Director  
Since 4 Nov 2015



**Dr. Uttama Savanayana**  
Independent Director  
Until 17 Aug 2015



**Mr. Vachara Tuntariyanond**  
Independent Director



**Mr. Rapee Sucharitakul**  
Independent Director  
Until 29 Apr 2015



**Mr. Kijja Pattamasattayasonthi**  
Independent Director



**Ms. Suvabha Charoenying**  
Independent Director  
Since 4 Nov 2015



**Mr. Praphan Eamrungrroj**  
Non-Executive Director



**Dr. Herve Daudin**  
Non-Executive Director





**Mr. Gabriel Naouri**  
Non-Executive Director



**Mr. Philippe Alarcon**  
Non-Executive Director



**Mr. Guillaume Pierre Antoine  
Marin Humbert**  
Non-Executive Director



**Ms. Josseline de Clausade**  
Non-Executive Director



**Ms. Diane Coliche**  
Non-Executive Director



**Ms. Rumpa Kumhomreun**  
Executive Director



**Mr. Stephen Joseph Camilleri**  
Executive Director  
Since 8 Apr 2015



**Mr. Ian Longden**  
Executive Director  
Until 8 Apr 2015

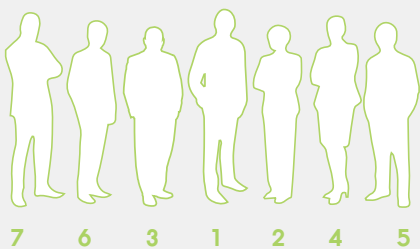
#### Denotes Chairman of Subcommittee

- ❖ Chairman, Audit Committee
- ⚙️ Chairman, Corporate Governance Committee
- ◆ Chairman, Risk Management Committee
- ⦿ Chairman, Corporate Social Responsibility Committee

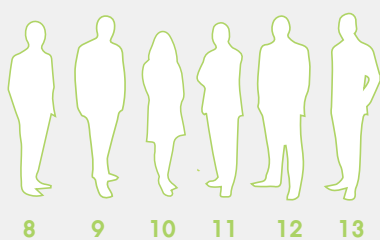
#### Key to Subcommittee Member

- ❖ Audit Committee Member
- ⚙️ Corporate Governance Committee Member
- ◆ Risk Management Committee Member
- ⦿ Corporate Social Responsibility Committee Member

# Executive Committee



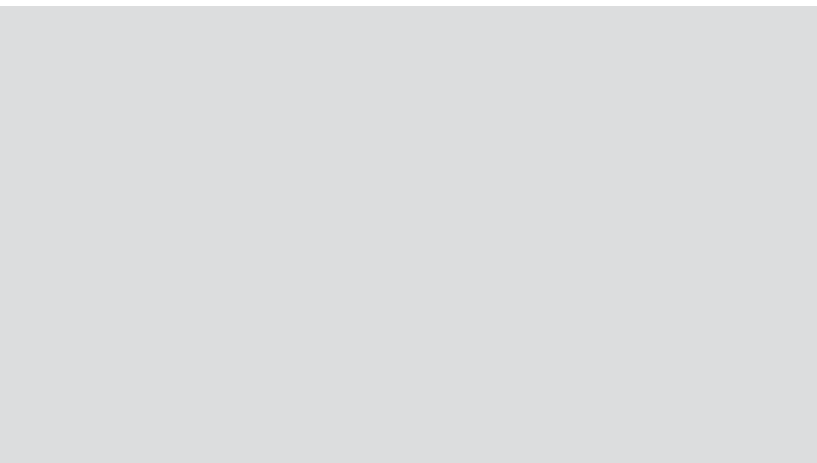
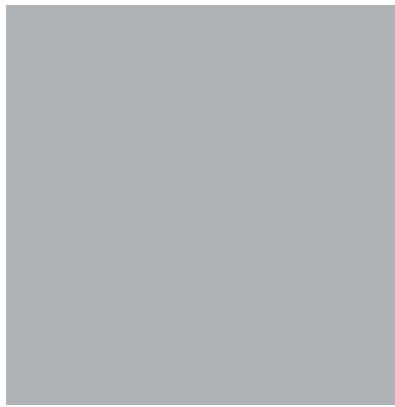
1. **Mr. Robert James Cissell** - CEO & President
2. **Ms. Rumpa Kumhomreun** - CFO & Vice President, Accounting & Finance
3. **Mr. Stephen Joseph Camilleri** - Vice President, Human Resources
4. **Ms. Christelle Genevieve Christiane Youx Dufour** - Vice President, Budgeting & Controlling
5. **Mr. Prawet Prungtangki** - Vice President, Management Information System
6. **Dr. Sarintip Satitsatian** - Vice President, Cost Optimization & Procurement
7. **Mr. Robert Godwin** - Vice President, Marketing & Communications



- 8. **Mr. Yotin Thavikulwat** - Vice President, Properties
- 9. **Mr. Gary Hardy** - Vice President, Operations
- 10. **Ms. Ching Wa Mimi Lam** - Vice President, Merchandise Food
- 11. **Mr. Bruno Jouselin** - Vice President, Proximity, Convenience & Pure
- 12. **Mr. Neil Brian McCann** - Vice President, Supply Chain
- 13. **Mr. Robert Darke** - Vice President, General Merchandise & Shopping Online

# Big C

## The Marketplace at the Heart of the Community





# Vision and Mission

## Our Vision

To be the marketplace at the heart of our customers' communities.

## Our Mission

As a value retailer, we provide our customers with a complete selection of quality products at low prices, outstanding service, and an unrivalled shopping experience.



**Omni-channel  
player and  
strong dual  
retail model**



**Price  
leadership**



**Customer and  
community  
focus**



**Tight financial  
discipline  
and asset  
monetization**



**Accelerated  
expansion**

## Big C Promise

We always strive to satisfy our customers, contribute to the betterment of Thai society, deliver enhanced value to our shareholders, foster sound relationships with our business partners, and provide rewarding careers for our employees, whilst adhering to good corporate governance and social responsibility.

## Our Core Values

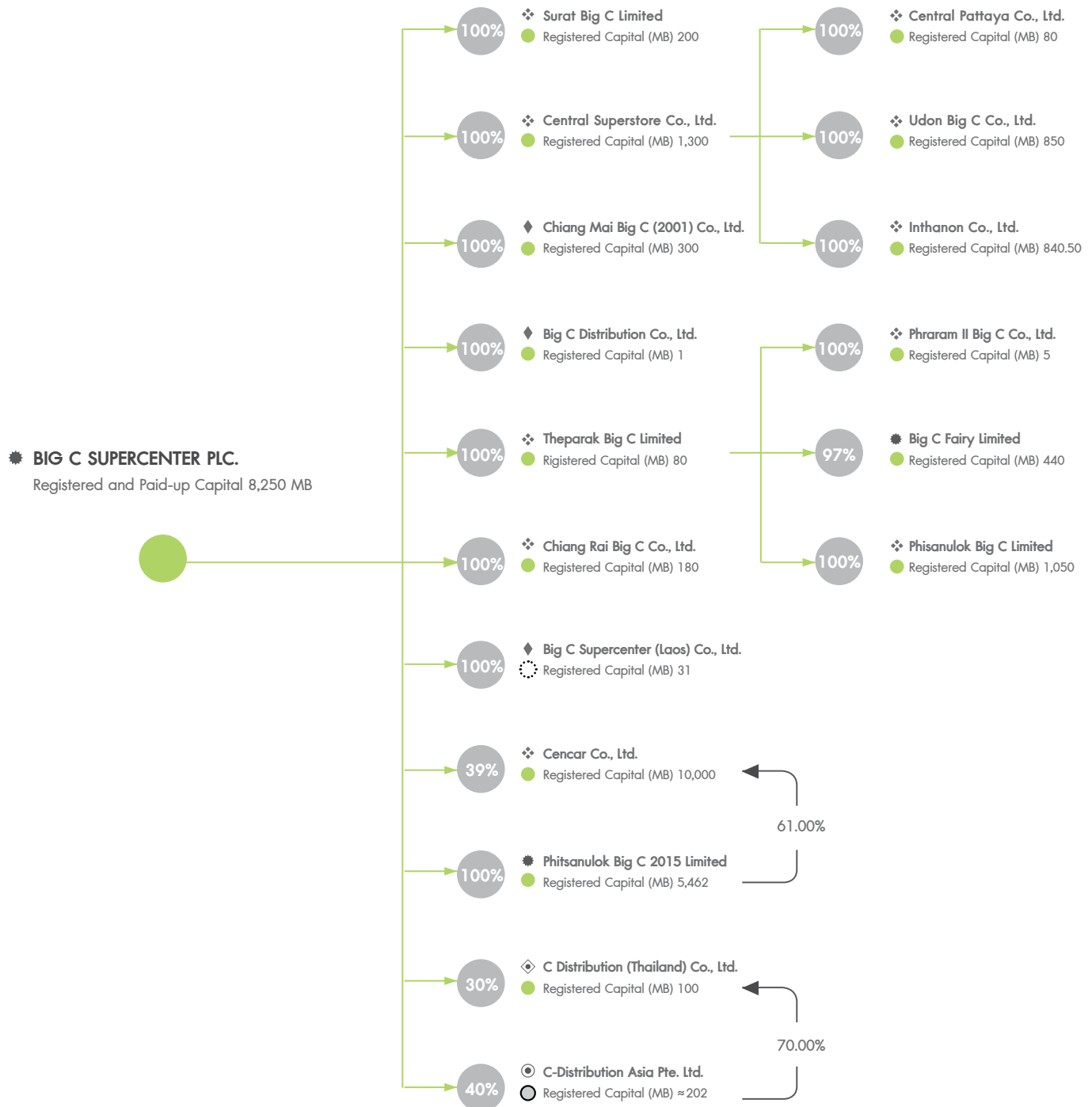
**Customer**

**People**

**Teamwork**

**Excellence**

# Shareholding Structure



Nature of business and address of subsidiaries and affiliates

## 1. Nature of Business

- ❖ Real Estate
- ⊙ Holding Company
- ⚙ Hypermarket
- ◈ Shopping-online in Thailand
- ◆ Dormant / Not started operation yet

## 2. Address of subsidiaries and affiliates

- 97/11, 6/F Rajdamri Road, Lumpini, Pathumwan, Bangkok
- ◌ Laos, PDR
- Singapore

## Policy on business segmentation

Big C is operated under strong dual retail-property business model. Below you can find a list of companies where Big C holds more than 10% of the issued shares:

### Subsidiaries:

1. Most of subsidiaries conduct real estate business (Big C conducts its business on such properties)
2. Big C Fairy Co., Ltd. and Phitsanulok Big C 2015 Limited. (changed name from SSCP (Thailand) Co., Ltd.) conduct business of hypermarket
3. Chiang Mai Big C (2001) Co., Ltd. and Big C Distribution Co., Ltd. have stopped their operations
4. Big C Supercenter (Laos) Co., Ltd. has not yet started its operations

### Affiliates:

1. C Distribution (Thailand) Ltd. conducts business of shopping online under the name Cdiscount
2. C-Distribution Asia Pte. Ltd. conducts holding business as an investment vehicle for e-commerce business in Thailand and Vietnam

## Relationship with Business of Major Shareholder

Casino Group, a leading French retailer and one of the world's foremost food retailers, is a major shareholder of the Company. The Company benefits from sharing of knowledge and expertise of Casino Group as a strategic partner with experience from multiple store formats and distribution channels in various countries. The Company and Casino Group are also sharing experience and best practices on their respective CSR work

The Company adheres with good corporate governance principles. Business consideration aims at best interest for both the Company and for all shareholders. In this regard, the Company strictly follows SEC regulation in relation to related party transactions with major shareholder.

# Nature of Business

We are an omni-channel retailer operating throughout Thailand with a fully integrated network of physical and online store formats. Our stores offer a complete selection of everyday products at low prices, an outstanding service, and a fun shopping experience to all consumer segments and their shopping needs from stock-up to convenience shopping. Our strong dual retail-property model helps us to provide our customers a one-stop-shopping destination as our shopping mall tenants complement our store offering. Rental income from our tenants also provides stability to our income.

## Store formats

Our multiple store formats enable us to be of service whenever and wherever customers do their shopping. Whether it is a major weekly shopping trip or a walk to the neighborhood store for top-up or convenience shopping our physical and online store network provides nationwide customer reach and offers the same maximum value for money and outstanding service to customers regardless of which store format they do their shopping.

### Big C Supercenter

is a hypermarket targeting mid-to-low income customer segments offering maximum value through combination of low prices, wide selection of goods and services, clean and efficient shopping environment, and outstanding service. At the end of 2015, we have 107 Big C Supercenter stores located throughout Thailand.

### Big C Extra

is a hypermarket targeting mid-to-high income customer segments offering wider range of premium fresh and dry food items, as well as wide selection of imported products, including Casino private label

products, technology gadgets, wine and many more “extra” products and services than Big C Supercenter – while keeping Big C’s signature low prices. At the end of 2015, we have 15 Big C Extra stores located in Bangkok and large cities.

### Big C Jumbo

is a hybrid hypermarket/wholesale store targeting wholesale and retail customers as well as big families. The first Big C Jumbo store was opened in 2011 and at the end of 2015 we had 3 stores located in Bangkok. We also have two Big C Jumbo Stations implanted to our Hypermarkets in Pattaya and Ayutthaya with targeting

HoReCa (Hotel, Restaurant, and Catering) customers in addition to normal hypermarket assortments.

### Big C Market

is a supermarket format, targeting the mid to low income customer segment. The relatively smaller size of Big C Market enables us to penetrate the areas that are not in the main district of a province and it is designed to be the largest modern retailer in its catchment area. These stores differ from more traditional supermarkets concentrating mainly to food, by offering wide range of products from fresh food to electronics.

## Big C Supercenter

At the end of 2015, we have **107 store** located throughout Thailand.







At the end of 2015, we had 55 Big C Market format stores in Greater Bangkok and up country locations.

### Mini Big C

is a proximity/convenience store format targeting mid to low income customer segment. Proximity type Mini Big C stores carry a larger assortment than typical convenient stores and offer selected promotional items as in our hypermarkets – making it an ideal place for top-up shopping. Our convenience type Mini Big C stores offer more limited assortment geared towards convenience shopping and are mostly located at Bangchak service stations. At the end of 2015, we had total of 391 Mini Big C stores, including 154 stores located at Bangchak service stations.

### Pure

is a drugstore format offering pharmaceutical, health, beauty and wellness products. While most of the current Pure drugstores are implanted into Big C hypermarkets and Big C Markets, we have also few standalone Pure stores. At the end of 2015 we had a total of 163 Pure drugstores.

### Happy Fresh

Later part of 2015 we started exploring opportunities with Happy Fresh to jointly work on developing and expanding home delivery of Big C's fresh food products through Happy Fresh website. We have not previously offered fresh food online and our partnership with Happy Fresh will bring our fresh food offer available for online shoppers. We launched first trial stores in early 2016.

### Big C Shopping Online

is our online store and brings our services to customers' doorsteps through innovations and technologies. We are the first Thai hypermarket to launch a fully-integrated online shopping platform that offers low-price and high demand items to customers with digital lifestyle through online shopping site, smart phone mobile application, and QR code scanning. Currently Big C Shopping Online is only available in Thailand but going forward our partnership with Thailand Post will also allow us to expand the reach of Big C Shopping Online business into neighboring countries with plans in place to start with Cambodia next year.

### Cdiscount.co.th

is exciting pure ecommerce platform we launched in partnership with Cdiscount International on 28<sup>th</sup> of February 2014.

The non-food offering of Cdiscount complements our existing online channel "Big C Shopping Online", which mainly focuses on online grocery. Since the beginning of 2015 Cdiscount.co.th has also allowed selected partners to offer their products through Cdiscount market place.

Currently our online customers can pick up their Cdiscount and Big C Shopping Online orders in all Hypermarket stores, Cdiscount pick-up points are also available in every Big C Market and most of Mini Big C stores nationwide, offering additional convenience to our customers who can combine their order pick-up with their daily/weekly shopping routine. More and more customers make use of the additional convenience of the "click-and-collect" option instead of having to wait at home for their deliveries to arrive.

## First Thai hypermarket

to launch a fully-integrated online shopping platform





## Dual retail -property model

Our shopping malls have a vital role to play in making our stores a “one-stop shopping destinations” for our customers. The wide-ranging services and products offered by vendors and tenants at our rental space, inside and outside a store, not only draw customer traffic to stores but also provide rental income which is an important part of our revenues.

Our tenants complement our stores offering and can range from cinemas to kiosk and from home improvement stores to food vendors. In 2015 our partnership with Thailand Post deepened as we installed Thailand’s first Smart Parcel Lockers to Big C Supercenter Suwintawong branch, and we are in process of bringing additional services to our stores by opening Thailand Post offices across our formats, further solidifying our position as the market place at the heart of community. Our tenants mix can be classified into five categories, based on lease terms and types of business:

### Commercial Retail Unit

Consisting of mainly well-known brand name apparels, restaurants, cafes, banks and major chains, commercial retail unit tenants help enhance image, attractiveness and product varieties of Big C shopping centers.

# This Junior Anchor plays an important role

**in drawing additional traffic to our store and making our shopping centers a one-stop shopping destination for customers**

### Junior Anchor

Consisting of large-scale tenants such as home improvement stores, cinemas, fitness centers, IT mall, and even Government Passport Office. Junior anchor tenants help satisfy customers’ need beyond Big C’s product and service offerings. This type of tenants plays an important role in drawing additional traffic to our stores and making our shopping centers a one-stop shopping destination for customers.

### Food court

All Big C shopping malls feature food courts where customers can find a variety of quality food and beverages at low prices.

### Big Bazaar

Big Bazaar tenants are small stores that sell a wide range of items including fashion, accessories, local products, toys etc.

### Casual Leasing

A variety of small kiosks with ever-changing and in-demand products located both inside and outside store building helps

add fun and excitement to our customers’ shopping experience.

The size of shopping malls varies depending on store format and location. During 2015, we opened 20 new shopping malls with a total space of approximately 13,600 sqm. At the end of the year we had 174 shopping malls with a total space of approximately 778,000 sqm.

## Store renovations

Renovations play a crucial role in maintaining our successful dual retail-property model. On average, we renovate our hypermarkets every 5 to 8 years. While our normal renovations mainly aim to update the look and feel of our properties, our “Alcudia” renovations aim to maximize our hypermarket’s productivity and to introduce refreshed shopping mall experience through enlarged mall footprint and more attractive tenant mix to our customers. Especially with our older hypermarkets, we can increase the store’s productivity by analyzing store layout and redefining the ratio of space dedicated between retail and rental area



– thus optimizing sales density and rental income. Alcudia renovations also refresh and revitalize shopping mall experience by analyzing the mall's size and tenant mix to maximize attractiveness to customers. During 2015 we fine-tuned our renovations into two categories: Alcudia renovation where we are building significant space addition to shopping mall rental area; and to Right-Sizing renovation where we optimize stores retail area and allocate the freed space into shopping mall rental area. During 2015 we started two Alcudia renovations in our Lopburi and Bangplee stores which will be completed in early 2016. We also completed 5 right-sizing renovations during the year.

## Price leadership



has been our longstanding philosophy for over 20 years and we are committed to delivering maximum savings to our customers via low price items. We are proud to be Thailand's low-price leader and we are willing to continue working hard to be able to maintain this position. During 2015 we further solidified our price leadership position with our 5,000 products cheaper than last year campaign, offering amazing value for our customers and ensuring lower living cost throughout the year. Big C also offers value-for-money items in particular condition of stamp campaign. Since 2012, this stamp-based loyalty campaign had rewarded millions of shoppers with many aspirational premiums for their home namely knife, cookware, cutlery and double-walled glassware. This year, the 5-month stamp drive returns

to stores with simple redemption mechanics presenting premium U.S.A. made storage and bakeware as intelligent kitchen storage solutions for smart consumers.

## Thainess touch

has been in our DNA since the beginning and it is reflected in all aspects, starting from the way our staff greets and serves our customers. A smiling face while saying "Big C -Sawasdeeka" – a Thai greeting from the staff can be commonly seen and heard at our stores nationwide. Such a traditional gesture has created friendly atmosphere and better relationship between the staff and customers. Still, Thai-ness is more than the way we treat our customers. Our staff takes active part in the

known as Farm Outlet producers by selling their products exclusively at Big C stores. In 2015, Big C has emphasized new marketing angles and created customers' awareness and demand through convenient, fast and low-cost sale channels by co-hosting OTOP and Farm Outlet fairs to shorten selling distance between customers and local producers around Thailand. The channel also includes featuring OTOP and SME products on our online shopping application. To further promote local products of Thai people, Big C continues its direct purchase of agricultural produce within an extensive network of Thai farmers covering the locally grown fruits and vegetables

**We further solidified our price leadership position with our**

**"5,000 products cheaper than last year"**

celebrations of local traditions. We also promote local products and identity through our support for the sale of OTOP (One Tumbon One Product) products at Big C stores. Since 2013, Big C has launched the "Taste OTOP, Taste of Thailand" zone at Big C Rajdamri and at other 25 stores with increasing number of both Thai and foreign customers today. The launch was aimed at promoting commercial opportunities of OTOP products by using Big C's experiences and distribution channels across the country. We also developed a mid-and-long-term plan to promote local products by working closely with Ministry of Commerce to train local producers on product and packaging development as well as business competency. This also involves our support to Community enterprise



as well as meat and seafood. After welcoming Her Royal Highness Crown Princess Maha Chakri Sirindhorn at Big C Extra Rama 4 in 2014 for the inauguration of 18<sup>th</sup> Phufa Shop, Big C extended our cooperation to enrich the people's livelihoods in remote areas by bringing local products from the Phufa Development Centre in Nan Province to serve customers



at Nan hypermarket store while opening the latest Phufa Store in 2015 at Big C Rajadamri, where Thai customers and foreigners alike will be able to support local products.

## Fun shopping experience

In addition to our low-price leadership and value for money, we place a great emphasis on being “fun shopping destination” by consistently creating excitement and fun shopping experience for our customers through various campaigns during the year.

## Big Card

is our loyalty program, grew constantly and reached 8.6 million members in 2015. Big Card members enjoy instant cash coupons without having to wait for coupons or collect and redeem points. The strong growth in Big Card membership is the result of constant development in Big Card's benefits, convenience and savings that it offers to the members. Since 2012 Big C has also teamed up with EYC, world's leading analytical and customer centric technology company, to understand our loyal customers even better and to be able to offer individual customer exactly what they need. To further develop our loyalty program at latter part of 2015, we laid out the groundwork for a loyalty coalition program. This exciting development will help us to deliver more powerful loyalty proposition to the Thai market, improve

customer targeting, and allow all partners to take advantage of the big data opportunities created by the combined customer bases.

## Big C – Big Service

We always strive to be “more than just a retailer” and the destination of choice for “one-stop-shopping” for the whole family. The 27,000 members of the Big C family are enthusiastic, friendly and eager to go beyond their normal mandates to satisfy customers. At Big C, we treat our customers as our “extended families” and always try to do our best to be of service in every way we can – both in happy and trying times.

Big C uses the strength of its network of stores across Thailand to capture customers' demand and offer special services to customers making it a one-stop destination. Through “Big C Big Service,” we offer for our over 500,000 customers visiting our stores daily, services that provide convenience such as bill payment service, mobile phone, and online game top-up, official documentation services at Amphor Yim (Smiling Government District) station, Big C Care retail assurance, and e-Filing and e-Tax Payment service.

We also teamed-up with Ministry of Public

Health, provincial health care offices and other related foundations to regularly provide free basic medical check-ups such as diabetes check-up and dental check-up including blood donation points and some specific vaccination service at selected stores. In 2015, we enhanced an even better level of one-stop service to Big C customers by working with the Department of Consular Affairs to open a new passport office at Big C Suwintawong. Furthermore, Big C's cooperation with Thailand Post this year successfully resulted in iBox service where customers can enjoy 24-hour drop box service at Suwintawong store before the service extends to at least 10 other locations by 2016.

## Supply Chain

Products from over 3,600 suppliers make their way to Big C stores nationwide either through one of our distribution centers or through direct delivery to store. In 2015 our multi-year supply chain overhaul reached its completion as we opened our new fresh food distribution center in Ladkrabang, replacing multiple old fresh food facilities. This opening was last of our major distribution center openings as we last year opened Mini Big C distribution center in Thanyaburi, new Cross Docking distribution center in Bang Pli, and improved our of ambient stocking distribution center serving our hypermarkets and Big C Markets, in Wang Noi, Ayutthaya. Our new distribution centers make use of advanced technologies such as pick-to-light and voice-picking systems, improving our

“We offer for our over

**500,000**  
**customers**

**visiting our stores daily”**







distribution centers operating efficiency and pick accuracy. The completion of the supply chain overhaul should also improve our inventories and working capital efficiency and give us capacity for expansion in the future. During the year we continued our work on increasing the centralization of deliveries through our distribution centers. Higher centralization level allows us to reduce our supply chain costs by optimizing costs at distribution center level and being able to offer higher service levels to our stores.

## Products and Services

We strive to offer our customers a “Complete selection of everyday products at low prices” and our expert merchandise teams continuously search and expand our network to acquire quality products from over 3,600 domestic and international suppliers to fulfill the need and preference of all customer segments. As a result, Big C carries in total over 120,000 SKUs – c.96% of which are sourced locally - with prices ranging from opening price point to premium high-end items in every product category ranging from food to non-food products. Our merchandise is divided into the following categories:

### Fresh food

Meat, seafood, fresh fruits and vegetables, ready-to-eat and ready-to-cook meals, frozen food, baked goods, and various herbs and spices

### Dry food

Seasonings and condiments, beverages, snack foods, personal items, household chemicals, and pet food and accessories

### Soft line

Clothing and accessories

### Hard line

Wide range of electrical appliances including white goods, kitchen appliances, home entertainment equipment, automobile and motorcycle accessories, and home improvement and maintenance tools and supplies.

### Home line

Home decor and accessories, furniture, kitchenware, plastic storage items and utensils, decorative items, sporting goods, and toys.

## Store Compliance

We comply with environmental laws. During these 3 years, there is no adverse legal dispute or lawsuit on environmental issue against the Company.

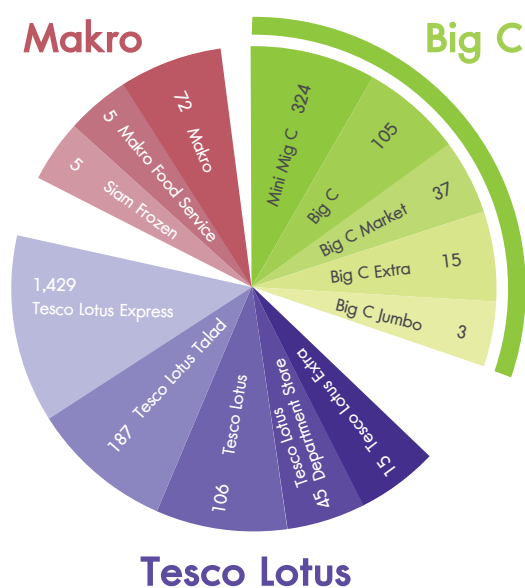
## Structure of Revenues

The main sources of our revenues are retail sales, and rental and service income which we receive from our shopping mall tenants. Main components in our Other Revenues are brochure advertising income and in-store media concessions. In Year 2013, 2014 and 2015 in comparison, both revenues are shown below.

	2013		2014		2015	
(Unit : Million Baht)	Value	%	Value	%	Value	%
<b>Sales</b>	118,177	90.2	121,845	90.0	119,620	89.5
<b>Rental and Service Income</b>	8,745	6.7	9,385	6.9	9,787	7.3
<b>Other Revenues</b>	4,049	3.1	4,165	3.1	4,302	3.2
<b>Total Revenues</b>	<b>130,971</b>	<b>100</b>	<b>135,395</b>	<b>100</b>	<b>113,709</b>	<b>100</b>

# Competitive situation in 2015

## 2014



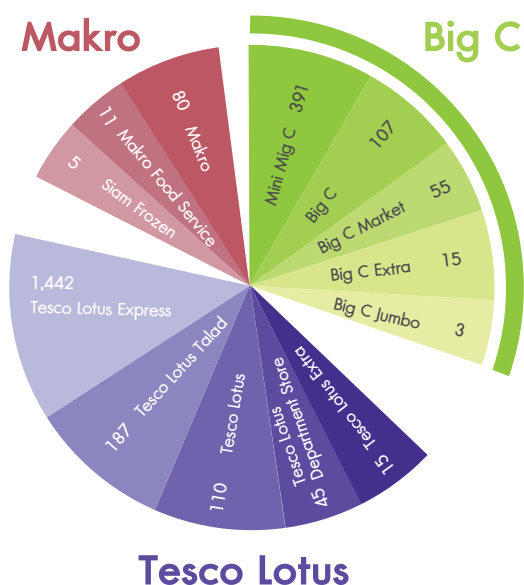
### Thai retail market

Year 2015 presented yet another challenging year for Thai retailers. Sluggish economic growth driven by declining exports and low consumer confidence, which was especially visible in discretionary spending, led to an intensive competition among the modern trade retailers as they were competing over customers.

Upcountry customers, who have been suffering from low farm income for past few years, were also impacted by draught conditions in certain areas of Thailand. However in a longer term,

Thailand is still one of the most promising retail markets in Southeast Asia, offering modern retailers' plenty of room to grow as traditional trade still holds approximately half of the total retail sales. Thai customers' changing lifestyles and growing urban population offer modern retailers growth opportunities, as people have less time for shopping and higher expectations, the convenience and quality of service modern retailers are offering makes them more attractive to a modern consumer.

## 2015



### Continued expansion through all formats

After slow expansion in 2014 we started building up our store expansion pipeline and in 2015 opened a total of 101 new stores and 20 town centers. These include 2 hypermarkets and 18 Big C Market all

Source: The Nielsen Company (Thailand) Limited

of which had town centers complementing their retail offer, 67 Mini Big C (out of which 63 were located at Bangchak service stations) and 14 Pure drugstores (closed 3 Pure drugstores during the year). We also ramped up our store renovations 5 right-sizing renovations completed during 2015 and started 2 major Alcudia renovations which will be completed in early 2016.

### Our core store formats and competitive situation

An overall competitive landscape in Thai retail business remained intense. There are currently three main players in Thai retail market including Big C, Tesco Lotus and CP All/Makro, with all of them having multiple store formats and nationwide network. In hypermarket segment our acquisition of Carrefour Thailand operations at the beginning of 2011 increased significantly our exposure to large cities and tourist destinations and their more resilient spending.

### Hypermarket segment

In 2015 we continued our hypermarket expansion by opening 2 new Big C hypermarkets. This brought the total number of Big C hypermarkets to 125 (including 15 Big C Extras, 107 Big C Supercenter and 3 Big C Jumbo stores) at the end of the year. In hypermarket segment we are directly competing with

Tesco Lotus and have some overlap in our offering with Cash & Carry operator Siam Makro, and in certain non-food categories our offer overlaps with specialized retailers such as DIY stores and electronic stores. During the year Tesco Lotus opened 4 new hypermarket stores, increasing their network to total of 170 stores. Siam Makro continued its aggressive expansion program in 2015 with 14 new stores opened, bringing their total number of stores to 96 (including 80 Makro, 11 Makro Food Service and 5 Siam Frozen Stores) at the end of the year.

### Supermarket segment

Thailand's supermarket segment has many players including Big C, Tesco Lotus, Tops, MaxValu, Home Freshmart, Villa Market and Foodland. Our Big C Market supermarkets are aimed to serve customers in selected urban locations and smaller towns in upcountry where they are offering wide range of products from food to non-food products. In 2015, Big C opened 18 new Big C Market stores, increasing the total number of stores to 55 at the end of the year. Meanwhile Tesco Lotus opened 2 new and closed 2 Tesco Lotus Talad stores bring the total number of stores to 187. Tops currently have a total of 120 stores in supermarket category.

### Small store segment

There are two main store types in this segment, convenience stores, and proximity stores. Main proximity type stores in Thailand are Mini Big C, Tesco Lotus Express, Tops Daily and MaxValu Tanjai. Big C added a total of 67 net openings during 2015 bringing the total number of Mini Big C's to 391 stores at the end of the year. Our partnership with Bangchak Petroleum has offered us a new avenue for growth and during 2015 most of our stores were opened at their service stations. As of December 2015 we had 154 Mini Big C stores in Bangchak petrol stations. Tesco Lotus opened 53 and closed 32 Tesco Express stores during the year bringing the total number of stores to 1,442 at the end of the year. In convenience store segment CP All with their over 8,778 7Eleven stores are the clear leader, while other players include Family Mart, 108 Lawson. During the year Big C also continued expanding its convenience range offering in Mini Big C stores with items such as ready-to-eat meals.

**“Total number of stores **734** includes **163** Pure drug stores”**

# Major Changes and Developments

1994



- The first Big C store opened on Chaengwattana road in Bangkok. This store is our original hypermarket, following the successful dual retail-property model and targeting mid to low-income customers.

1999



- Formed a business alliance with Casino Group, a leading French retailer and one of the world's largest food retailers, sharing knowledge and expertise with Big C in terms of its store formats and distribution channels.

2002



- Founded in 2002, Big C Thai Foundation aims to provide educational opportunities to underprivileged children. Since its inception, Big C Thai Foundation has contributed over 350 million Baht to support and promote education by constructing 44 school buildings for underfunded schools across Thailand, granting over 45,275 3-year and 6-year scholarships to students nationwide, and constructing youth development facilities such as libraries, basketball courts and community hospitals.

2011



- Acquired Carrefour Thailand operations (43 stores) and gained access to city center locations in Bangkok and many tourist destinations. The acquisition also enlarged Big C's targeted customer profile to include mid to high-income segments in selected stores.
- Introduced two new large store formats: Big C Extra for ex-Carrefour premium stores targeting mid to high-income customers; and Big C Jumbo targeting professional customers such as hotels, restaurants and caterers (HORECA), retail customers as well as large families.



## 2012



- Entered an “Exclusive Retail Agreement” with Bangchak Petroleum to set up Mini Big C proximity stores in Bangchak service stations.
- Executed a successful private placement of 23.6 million shares and used proceeds to partially repay the debt we took to acquire Carrefour’s Thailand operations.

## 2013



- Reached a respectable age of 20 years, exhibiting the resilience of our successful dual retail-property model as Big C has thrived through the years.
- To celebrate our 20<sup>th</sup> anniversary, we launched a bottom-up Corporate Social Responsibility (CSR) program that brings stores to work with local communities in the area to develop projects that sustainably support the communities.

## 2014



- As part of our complete supply chain overhaul, we opened two new distribution centers at Thanyaburi district, Pathumthani province, and Bangplee district, Samutprakan province, providing us with more efficiency and the capacity to expand in the future.
- Accelerated our e-commerce business development by launching Cdiscount.co.th, a purely e-commerce operator, in partnership with Cdiscount International, and revamped our Big C Shopping Online website.

## 2015



- Increased our supply chain capacity by opening the new state-of-the-art Fresh Food Distribution Center in Chachoengsao province.
- Ramped-up our store renovations, ranging from simple space reflow to major Alcudia renovations, to utilize our existing assets more efficiently.
- Our omni-channel integration progressed further with joint promotion campaigns between our physical and online stores and by opening more online order pickup points at our stores.
- Launched various exciting partnership developments with Rabbit Card, Thailand Post, and HappyFresh.

# Achievements



## Q Modern Trade and Market Certificate under Q Mark

Big C was accredited by the National Bureau of Agricultural Commodity and Food Standards (ACFS) as a qualified distribution center and modern trade to sell agricultural products and quality food under Q mark (Modern Trade) covering all Big C stores nationwide.



## Food Safety

Big C was certified on Food Safety by the Department of Medical Sciences. Every year, government agencies will randomly inspect foods from Big C stores to check for the compliance with food safety standards.



## Plaque of Recognition : In appreciation of Big C's cooperation in supporting Q products distribution

Big C received a plaque of recognition from the National Bureau of Agricultural Commodity and Food Standards (ACFS) for its support in selling and distributing Q products in 2015.



## Big C's laboratory certified to inspect pesticides and other contaminants in produces prior to sales

Big C's Laboratory was certified by the Department of Medical Sciences, Ministry of Public Health, to inspect pesticides and other food contaminants on fresh produces prior to sales.



## Good Manufacturing Practice : GMP

Big C was certified with GMP by the Ministry of Public Health under the announcements No. 193 and No. 224 for Production Processes, Production Equipment, and Food Storage for bakery, ready to cook, and ready to eat meals.



## Halal

Big C stores in muslim areas were certified by the Islamic Committee Office of Thailand to distribute HALAL products permitted under Islamic law which are clean, of good quality, and safe for consumption.



## Green Card, consume with care

Big C received an honorary plaque from the Department of Environment Quality Promotion (DEQP), Ministry of Natural Resources and Environment, the Industrial Environment Institute, and the Federation of Thai Industries, for joining The Green Card project.



## MOU on No-Plastic-Bags Campaign

Big C received a plaque from the Ministry of Natural Resources and Environment for signing an MOU to educate and create awareness on sustainable waste management and plastic bags usage reduction.



### No. 1 Brand Thailand, 2014-2015

Big C received an honorary award and certificate for having been selected as Thailand's Most Favorite Hypermarket of the year 2014-2015 for 4<sup>th</sup> consecutive years. The ceremony was hosted by Marketeer Magazine and Video Research International (Thailand) Limited.



### "Bike for MOM" Supporter

Big C received Bike for MOM royal gifts from HRH Crown Prince Maha Vajiralongkorn for supporting Thailand's historic cycling event "Bike for MOM".



### Save the World

Big C and partners of the Green Roof project received an honorary award from HRH Princess Soamsawali at TV 360 SAVE the World Expo 2015 for encouraging consumers to donate used drinking cartons to make roofs for those in need.



### National Occupational Safety, Health and Environment Awards 2015

Big C was awarded the National Occupational Safety, Health and Environment Awards for the year 2015 by the Department of Labor Protection and Welfare, Ministry of Labor.



### Safety Workplace – in honor of HRH Princess Maha Chakri Sirindhorn 2015

Big C was granted the Safety Workplace Award in honor of HRH Princess Maha Chakri Sirindhorn for the year 2015 for its commitment to the reduction of accidents at the workplace by the Department of Labor Protection and Welfare, Ministry of Labor.



### Zero Accident Award 2015

Big C was presented with the Zero Accident Award for the year 2015 for its campaign to reduce accidents at the workplace by the Department of Labor Protection and Welfare, Ministry of Labor.



### The first and only retailer in Thailand with TTRS machines installed

27 Big C Stores have installed the online sign language interpreting machines (TTRS) for both employees and customers with hearing impairment nationwide, marking Big C the first and only retailer in the country with this technology in stores.



### Outstanding Labor Welfare and Relations Award 2015

Big C was presented with the Outstanding Labor Welfare and Relations Award for the year 2015 by the Department of Labor Protection and Welfare, Ministry of Labor.



### The Disability Matters Award 2015

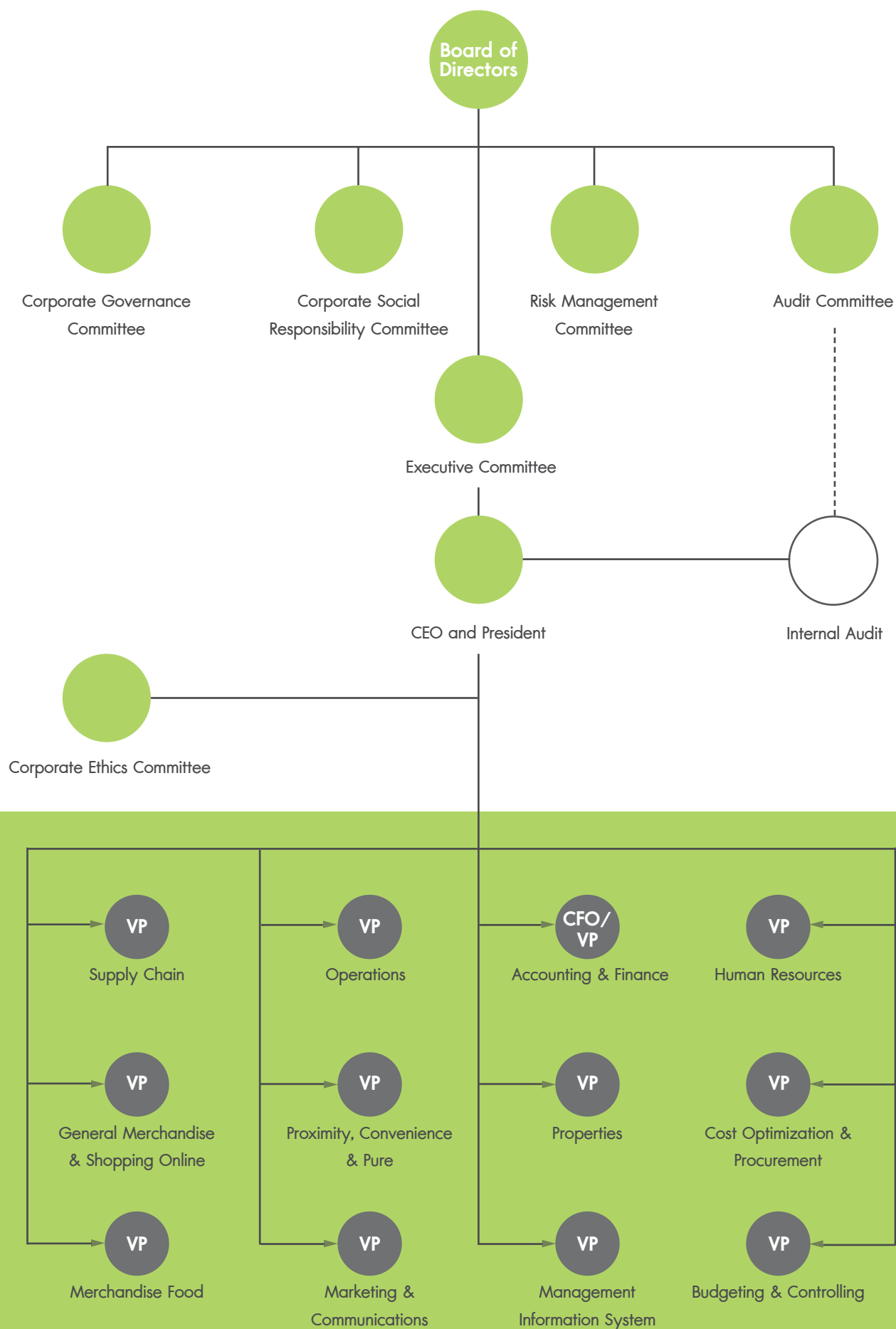
Big C was awarded a plaque in recognition of its outstanding support for employees with disabilities for the 4<sup>th</sup> consecutive year on the occasion of International Day for Disabled Persons 2015. The award was presented by the Department of Empowerment of Persons with Disabilities, Ministry of Social Development and Human Security.



### To Be Number One Award, National Level, Club Category, 2015

Princess Ubolratana Rajakanya has granted Big C with To Be Number One Award, at the national level and for the Club category.

# Organization Chart



# Management Structure

## Board of Directors

### Subcommittees:

1. Audit Committee
2. Corporate Governance Committee
3. Risk Management Committee
4. Corporate Social Responsibility Committee

### Board of Directors

As of 31 December 2015, the Board consists of 15 members:

- **12 Non Executive Directors** ; among them, 5 are independent directors or 1/3 of Board composition.
- **3 Executive Directors**

The Chairman of the Board is not the CEO & President, to ensure good corporate governance between the Board of Directors and Management.

## Executive Committee

Name-Surname	Position	Binding Signatories	Date of appointment	Meeting attended (no. of meeting)
1. Mr. Akani Thapthimthong	Chairman of the Board/ Independent Director	-	28 April 2010	5 (5)
2. Mr. Sun Vitthespongse (replacing Dr. Uttama Savanayana)	Independent Director	-	4 Nov 2015	1 (1)
3. Mr. Vachara Tuntariyanond	Independent Director	-	24 April 2013	4 (5)
4. Mr. Kijja Pattamasattayasonthi	Independent Director	-	8 April 2014	5 (5)
5. Ms. Suvabha Charoenying (replacing Mr. Rapee Sucharitakul)	Independent Director	-	4 Nov 2015	1 (1)
6. Mr. Praphan Eamrungrroj	Non Executive Director	-	28 April 2010	5 (5)
7. Dr. Herve Daudin	Non Executive Director	-	24 Jul 2013	4 (5)
8. Mr. Gabriel Naouri	Non Executive Director	-	8 April 2014	2 (5)
9. Mr. Philippe Alarcon	Non Executive Director	Group 2	30 April 2012	5 (5)
10. Mr. Guillaume Pierre Antoine Marin Humbert	Non Executive Director	Group 2	20 Oct 2010	1 (5)
11. Ms. Josseline De Clausade	Non Executive Director	Group 1	10 April 2013	5 (5)
12. Ms. Diane Coliche	Non Executive Director	Group 1	10 April 2013	3 (5)
13. Mr. Robert James Cissell	CEO & President / Executive Director	Group 1	5 Nov 2014	5 (5)
14. Ms. Rumpa Kumhomreun	Executive Director	Group 2	30 April 2012	5 (5)
15. Mr. Stephen Joseph Camilleri (replacing Mr. Ian Longden)	Executive Director	-	8 April 2015	3 (3)
<b>Changes during the year</b>				
1. Mr. Ian Longden (8 April 2015)	Executive Director	-	30 April 2012	1 (1)
2. Mr. Rapee Sucharitakul (29 April 2015)	Independent Director	-	10 April 2013	2 (2)
3. Dr. Uttama Savanayana (17 Aug 2015)	Independent Director	-	30 April 2012	3 (3)

**Ms. Rumpa Kumhomreun**, CFO and VP – Accounting and Finance, is the Secretary to the Company Secretary.

### Remark

1. Certain directors were unable to attend certain meetings due to their overseas travelling. However, they informed the company prior to the meeting;
2. Binding signatories are the joint signatures of one member of Group 1 and one member of Group 2, together with affixation of the Company's seal.



## Term of Directors

In general each director sits on the Board for 3 years, subject to Article 18 – “One-third of the entire board must retire at every Annual General Meeting”. If the total number of board member cannot be divided into one-third exactly then the number of board retirement should be the closest number to one-third. The retiring director may be reelected.

## The powers and duties of the Company's Board of Directors

1. To oversee the Company's business management and operations.
2. To supervise and perform the duties to be in accordance with the law, objectives, and the Article of Association of the Company as well as the resolution of the shareholders' meeting.
3. To determine policy, direction, vision, mission for the Company (including annual review thereof) and to supervise Management to effectively and efficiently perform their duties according to the policies in order to create best interest to the Company and shareholders.

## Board of Directors Meetings

Quarterly meeting schedules are notified to Board members at the beginning of the year. In 2015, there were 5 meeting (and 1 NED meeting). Meeting agenda was jointly reviewed by the Chairman of the Board and CEO. Board received invitation with clear agenda items and reading materials 7 days before the meeting except sensitive information. Directors may make inquiry to Company Secretary or Director of Governance, Risk Management and Compliance Department.

## Independent Directors

The Corporate Governance Committee has the role in reviewing and identifying qualification of independent directors and proposes to the Board for approval. Currently, a qualification of independent directors regarding maximum shareholding in the Company is more stringent than requirement of the SEC and SET, i.e.

1. Holding shares not exceeding 0.5 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or major shareholder or controlling person, including the shares held by related persons of the independent director,
2. Neither being nor used to be an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of assignment;

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, or child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
4. Neither having nor used to have a business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of assignment.

The term ‘business relationship’ above shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the company or his counterparty being subject to indebtedness payable to the other party in the amount of three per cent or more of the net tangible assets of the company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of assignment;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary, affiliate company, major shareholder or controlling person, and not being a

significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of assignment;

7. Not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;
8. Not undertaking any business in the same nature and in competition to the business of the company or its subsidiary or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the company or its subsidiary;
9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

### The Company Secretary

Ms. Rumpa Kumhomreun holds the position of the Company Secretary, together with the Executive Director and VP- Accounting & Finance (CFO). She has held the Company Secretary position since she was appointed to it by the Board in 2008, with expertise and experience in accounting. The Company Secretary ensured that the Board and Executives are advised on necessary laws and regulations for the Company's benefits. She also supervised on activities of the Board and coordinated with Management for implementing the board resolutions, including the meeting of directors and shareholders and the preparation and maintenance of director records, invitations to meetings, minutes of meetings, annual reports, conflict of interest report of the directors and/or executives, etc. The company secretary also monitors and gives advice to the Company and the Board in pursuant to relevant laws and regulations. (Biography of Ms. Rumpa Kumhomreun is in the section "Qualifications of Directors and Executives").

The company secretary received IOD training on Director Certification Program (DCP), class 169, year 2013 and DAP Class Big C / 2015.

### Subcommittees

The Board of Directors established 4 sub-committees; the Audit Committee, the Corporate Governance Committee, the Risk Management Committee and the Corporate Social Responsibility Committee

## 1. The Audit Committee

As of 31 December 2015, the Audit Committee comprised of 3 members as follow. Term of each member is aligned with the applicable term of his/her directorship (generally 3 years – see details under "Term of the Company's Board of Directors"). Every member of the Audit Committee is qualified under the requirements of SEC and SET. One member possesses expertise and experience in Accounting. Responsibility of the Audit Committee is prescribed in the Audit Committee Charter, covering areas beyond the recommendation of SET. The Charter requires at least 5 meetings per annum.

Name	Position	Meeting attended (no. of meeting)
1. Mr. Sun Vitthespongse	Chairman	1 (1)
2. Mr. Vachara Tuntariyanond	Member	6 (6)
3. Mr. Akani Thapthimthong	Member	6 (6)

**Ms. Nantavadee Suntibunyut,**

Director of Internal Audit, is the Secretary to the Audit Committee.

**Remark** All 3 members have adequate expertise and experience to review creditability of the financial reports.

## Duties and Responsibilities

The Audit Committee has power and responsibilities as follows:

1. To review the Company's financial reports are prepared in accordance with the generally accepted accounting standards and relevant specific laws, including the adequate disclosure of complete, accurate and sufficient information and related party transactions and/or conflicts of interest.
2. To promote the development of financial reporting system so as to be consistent with and meet the requirements of the generally accepted accounting standards.
3. To select the external auditor by considering the independence, competence and experience in performance of duties for appointment, termination and determination of auditor remuneration; and nominate to the Board of Directors for the approval in the Annual General Meeting.

4. To review the external and internal auditors' observations on related party transactions and transactions which may cause a conflict of interest, in compliance with law and regulations of the Stock Exchange of Thailand so as to ensure reasonableness of such transactions and maximum benefit of the Company.
5. To review internal control and internal audit systems and provide recommendations to ensure the appropriateness, effectiveness and efficiency and in accordance with the international standards by considering worthiness and covering all key processes.
6. To oversee the Company's preventive control system to reduce or suspend a loss or waste of the Company's resources for the benefit and enhancement of effectiveness and efficiency in performance of the Company's functions.
7. To jointly consider with the CEO and President the appropriateness of the appointment, transfer, dismissal, performance appraisal and remuneration of the Internal Audit Head. If any opposing view, it shall be considered by the Board of Directors or any person delegated by the Board of Directors. The decision of the Board of Directors or any person delegated by the Board of Directors will be final.
8. To coordinate with the external auditor for independence and fairness of auditing.
9. To review that the Company has established an appropriate risk management system and to provide recommendations to ensure that it is always up-to-date.
10. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand, and the laws related to the Company's business.
11. To obtain progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations.
12. To review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities as well as to propose any required amendments accordingly.
13. To approve the Internal Audit Charter and to regularly review it in an appropriate period determined by the Audit Committee.
14. To approve an annual audit plan and evaluate the performance of the internal audit function.
15. To approve an annual budget and a workforce planning of the internal audit function and present it to the Board of Directors or any person delegated by the Board of Directors for additional comment, if any. Then the approved budget and manpower of the internal audit function shall be submitted to the CEO and President for execution.
16. To have the power, subject to an approval of the Board of Directors or any person delegated by the Board of Directors, to engage any professional advisor to seek independent opinions if it seems necessary at the Company's expense, provided that the engagement shall be in adherence to the Company's procedures and rules on this matter.
17. To have the authority to invite Executives, Management and employees of the Company and related persons to attend a meeting with or to provide information to the Audit Committee. It shall be deemed as the duty of such persons to cooperate with the Audit Committee.
18. To determine the remuneration of secretary to the audit committee and assistant secretary, if any, and propose to the Board of Directors for the approval.
19. To perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

## 2. The Corporate Governance Committee

As of 31 December 2015, the Corporate Governance Committee comprised of 5 members as follow. Term of each member is aligned with the applicable term of his/her directorship (generally 3 years – see details under “Term of the Company's Board of Directors”). Chairman and majority of the CG Committee members are independent directors, possessing expertise and experience in corporate governance matters. Responsibility of the CG Committee is prescribed in the CG Committee Charter, with the responsibility in supporting the development in 3 main areas, i.e., corporate governance in accordance with the framework approved by the Board of Directors, framework for nomination and remuneration of directors and top management. In 2015, the CG Committee convened 6 meetings (the Charter required at least 2 meetings per annum), to sufficiently cover and perform its duties identified in the Charter. Meetings engaged with experts or persons related to meeting agenda in order to effectively discuss and render recommendation to the Company.

Name	Position	Meeting attended (no. of meeting)
1. Mr. Vachara Tuntariyanond	Chairman	1 (1)
2. Ms. Suvabha Charoenying	Member	1 (1)
3. Mr. Kijja Pattamasattayasonthi	Member	6 (6)
4. Ms. Rumpa Kumhomreun	Member	6 (6)
5. Ms. Phatchada Muenthong	Member	6 (6)

**Ms. Rumpa Kumhomreun**

CFO and VP – Accounting and Finance and Company Secretary, is the Secretary to the CG Committee.

**Ms. Phatchada Muenthong** – Director of Governance, Risk Management and Compliance is the Assistant to the Secretary.

### Duties and Responsibilities

1. To recommend guidelines and policies concerning corporate governance to the Company's Board of Directors in accordance with generally accepted principles of good corporate governance, including transparency, accountability and verifiability.
2. To review the good corporate governance policies of the Company at least once a year and make recommendations to the Board as deemed appropriate.
3. To be entitled to hire external expert to act as advisor and to participate in the meeting of the Committee, under approval of the Board of Directors or a person designated by the Board of Directors.
4. To make recommendations on remuneration of the Board and subcommittees to the Board of Directors.
5. To make recommendations on the criteria and qualifications for membership of the Board and screen the qualifications for candidates for election to the Board.
6. To review for the Board the appropriateness of framework for recruitment, evaluation and remuneration of top management including succession plan for top management and key positions
7. To perform any other duties related to corporate governance as assigned by the Board of Directors.

### 3. Risk Management Committee (RMC)

The Risk Management Committee comprised of representatives from the Executive Committee, in order to ensure effective risk management. As of 31 December 2015, the RMC has 6 members as follow, from functions responsible for implementation of mitigation against corporate risks of that year. The review of members will be in parallel with annual assessment of corporate risks, which will take place at the end of each calendar year. Responsibilities of the RMC are defined in the RMC Charter, with minimum quarterly meeting.

Name	Position	Meeting attended (no. of meeting)
1. Mr. Robert James Cissell	Chairman	4 (4)
2. Ms. Rumpa Kumhomreun	Member and Chief Risk Officer	4 (4)
3. Mr. Gary Hardy	Member	3 (4)
4. Mr. Stephen Joseph Camilleri	Member	4 (4)
5. Mr. Neil Brian McCann	Member	4 (4)
6. Ms. Christelle Genevieve Christiane Youx Dufour	Member	4 (4)

**Ms. Phatchada Muenthong** Director of Governance, Risk Management and Compliance is the Secretary to the RMC.

### Duties and Responsibilities

1. To approve Risk Management Policy, which includes policies related to Antifraud and Anticorruption for Big C and its subsidiaries and reviews the same at least on bi-annually basis, or promptly when there is any significant change.
2. To approve Risk Management Framework and Process for Big C and its subsidiaries and review the same on annually basis.
3. To monitor adequacy and efficiency of risk management processes and act as sponsors in promotion of risk management awareness across organization.



4. To ensure that each risk area has Risk Representative(s) and Risk Treatment Plan has been implemented appropriately and adequately, in accordance with the identified risk areas.
5. To make a summary report to the Board of Directors regarding efficiency on system, process, and implementation status of the Company's risk management.

#### 4. Corporate Social Responsibility Committee

The CSR Committee comprised of representatives from the Executive Committee. As of 31 December 2015, the CSR Committee has 5 members as follow, from functions responsible for driving the implementation of CSR activities in the focus areas. The review of members will be in parallel with the review of key plan. Responsibilities of the CSR are defined in the CSR Charter, with minimum quarterly meeting. The CSR Committee is supported by the CSR Working team.

(Details are available under section CSR Report.)

Name	Position	Meeting attended (no. of meeting)
1. Mr. Robert James Cissell	Chairman	12 (12)
2. Ms. Rumpa Kumhomreun	Member	12 (12)
3. Mr. Neil Brian McCann	Member	12 (12)
4. Mr. Gary Hardy	Member	12 (12)
5. Mr. Stephen Joseph Camilleri	Member and Chairman of the Working Group	12 (12)

#### Ms. Warunee Kitjaroenpoonsin

Director of Corporate Affairs, is the Secretary to the CSR Committee

#### Duties and Responsibilities

To establish and review corporate social responsibility policies and programs, including annual budgets and implementation thereof in accordance with CSR guideline of the SET and/or international standards, and perform any other duties related to corporate social responsibility as assigned by the Board of Directors.

#### List of executives

As of 31 December 2015, the Company had 13 Executives under definition of SEC, as follow:

Name - Surname	Position
1. Mr. Robert James Cissell	CEO & President
2. Ms. Rumpa Kumhomreun	CFO & Vice President, Accounting & Finance
3. Mr. Stephen Joseph Camilleri	Vice President, Human Resources
4. Mrs. Christelle Genevieve Christiane Youx Dufour	Vice President, Budgeting & Controlling
5. Mr. Prawet Prungtangki	Vice President, Management Information System
6. Dr. Sarintip Satitsatian	Vice President, Cost Optimization & Procurement
7. Mr. Robert Godwin	Vice President, Marketing & Communications
8. Mr. Yotin Thavikulwat	Vice President, Properties
9. Mr. Gary Hardy	Vice President, Operations
10. Ms. Ching Wa Mimi Lam	Vice President, Merchandise Food
11. Mr. Bruno Jouselin	Vice President, Proximity, Convenience & Pure
12. Mr. Neil Brian McCann	Vice President, Supply Chain
13. Mr. Robert Darke	Vice President, General Merchandise & Shopping Online

#### The powers, duties and responsibilities of the CEO & President and the Executive Committee

The executives under the leadership of the President and the Chief Executive Officer are responsible for supervising the operations of the Company that are in accordance with the specified objectives and strategies in line with the related legal framework and within the scope of power assigned by the Board of Directors. The CEO & President will present the strategic plan to the Board of Directors for approval and acts as the Company's Representative.

## Report of Conflict of Interest and Shareholding by Directors and Executives

The Company sets clear guidelines for reporting the conflict of interest and shareholding for the board and executives.

(Details are available in the section CG matters at Big C.)

### Summary of changes in Big C's shareholding by Directors and Executives as of 31 December 2015.

Shareholding below represents the aggregate number of shares held by spouse, minor child, and people under Section 258 of the SEC Act B.E. 2535.

Name-Surname	Shareholding		Change of Shares during year
	31 Dec 2014	31 Dec 2015	Increased (Decreased)
Shareholding by Directors			
1. Mr. Akani Thapthimthong	-None-	-None-	-None-
2. Mr. Sun Vithespongse	-None-	-None-	-None-
3. Mr. Vachara Tuntariyanond	-None-	-None-	-None-
4. Mr. Kijja Pattamasattayasonthi	-None-	-None-	-None-
5. Ms. Suvabha Charoenying	-None-	-None-	-None-
6. Mr. Praphan Eamrungraj	-None-	-None-	-None-
7. Dr. Herve Daudin	-None-	-None-	-None-
8. Mr. Gabriel Naouri	-None-	-None-	-None-
9. Mr. Philippe Alarcon	-None-	-None-	-None-
10. Mr. Guillaume Pierre Antoine Marin Humbert	-None-	-None-	-None-
11. Ms. Josseline De Clausade	-None-	-None-	-None-
12. Ms. Diane Coliche	-None-	-None-	-None-
13. Mr. Robert James Cissell (Executive Director)	-None-	-None-	-None-
14. Ms. Rumpa Kumhomreun (Executive Director)	-None-	-None-	-None-
15. Mr. Stephen Joseph Camilleri (Executive Director)	-None-	-None-	-None-
Shareholding by Executives			
16. Mrs. Christelle Genevieve Christiane Youx Dufour	-None-	-None-	-None-
17. Mr. Prawet Prungtangki	-None-	-None-	-None-
18. Dr. Sarintip Satitsatian	-None-	-None-	-None-
19. Mr. Robert Godwin	-None-	-None-	-None-
20. Mr. Yotin Thavikulwat	-None-	-None-	-None-
21. Mr. Gary Hardy	-None-	-None-	-None-
22. Ms. Ching Wa Mimi Lam	-None-	-None-	-None-
23 Mr. Bruno Jousselin	-None-	-None-	-None-
24. Mr. Neil Brian McCann	-None-	-None-	-None-
25. Mr. Robert Darke	-None-	-None-	-None-

## Directors and Executives remuneration

### The Directors remuneration

The Board of Directors delegated the Corporate Governance Committee to make recommendation on remuneration of the Board and Subcommittees in order to propose to the Shareholders for approval as required by law. Proposal was in line with the best practice guideline for the Nomination and Remuneration Committee of the SET. Proposed remunerations were categorized into two groups; retainer fees and meeting fees, taking into account the comparison between businesses in same industry, size of the company, average remuneration from the survey by IOD, scope of responsibilities of the board and subcommittees. The proposal will be made to the Board, then to the Annual Shareholders Meeting. Proposal is made on a yearly basis.

### Director remunerations for the year 2015

Committee	Position	Retainer Fee (Baht/person/year)
Board of Directors	Chairman who is an independent director	600,000
	Independent Director	500,000
	Non-Independent Director	198,000
Audit Committee	Chairman	225,000
	Member	200,000
Corporate Governance Committee		-None-

Reimbursement of travelling expense for Chairman of the Board only, on actual basis but not exceeding baht 1,000,000 per year

Committee	Position	Meeting Fee (Baht / person / meeting attended)
Board of Directors	Chairman who is an independent director	38,500
	Independent Director	38,500
	Non-Independent Director	38,500
Audit Committee	Chairman	30,000
	Member	25,000
Corporate Governance Committee	Chairman	30,000
	Member	25,000
	Members who are employees	10,000

## Summary of remuneration received by each Director for the year 2015

### Monetary remuneration

Name	Position	Board of Directors	Audit Committee	Corporate Governance Committee		Total
		Meeting Fees			Retainer*	
1. Mr. Akani Thapthimthong	Chairman of the Board, Audit Committee member	192,500	150,000	-	800,000	1,142,500
2. Mr. Sun Vitthespongse	Independent Director, Chairman of Audit Committee	38,500	30,000	-	120,833	189,333
3. Mr. Vachara Tuntariyanond	Independent Director, Audit Committee member, Chairman of Corporate Governance Committee	154,000	150,000	30,000	700,000	1,034,000
4. Mr. Kijja Pattamasattayasonthi	Independent Director, Corporate Governance member	192,500	-	150,000	500,000	842,500
5. Ms. Suvabha Charoenying	Independent Director, Corporate Governance member	38,500	-	25,000	83,333	146,833
6. Mr. Praphan Eamrungraj	Non Executive Director	192,500	-	-	198,000	390,500
7. Dr. Herve Daudin	Non Executive Director	154,000	-	-	198,000	352,000
8. Mr. Gabriel Naouri	Non Executive Director	77,000	-	-	198,000	275,000
9. Mr. Philippe Alarcon	Non Executive Director	192,500	-	-	198,000	390,500
10. Mr. Guillaume Pierre Antoine Marin Humbert	Non Executive Director	38,500	-	-	198,000	236,500
11. Ms. Josseline De Clausade	Non Executive Director	192,500	-	-	198,000	390,500
12. Ms. Diane Coliche	Non Executive Director	115,500	-	-	198,000	313,500
13. Mr. Robert James Cissell	Executive Director	192,500	-	-	198,000	390,500
14. Ms. Rumpa Kumhomreun	Executive Director	192,500	-	60,000	198,000	450,500
15. Mr. Stephen Joseph Camilleri	Executive Director	115,500	-	-	148,500	264,000
<b>Remuneration of directors changed during the year</b>						
1. Mr. Ian Longden	Executive Director	38,500	-	-	49,500	88,000
2. Mr. Rapee Sucharitakul	Independent Director, Chairman of Corporate Governance Committee	77,000	-	90,000	166,667	333,667
3. Dr. Uttama Savanayana	Independent Director, Chairman of Audit Committee, Corporate Governance member	115,500	90,000	50,000	453,125	708,625
<b>Total</b>		<b>2,310,000</b>	<b>420,000</b>	<b>405,000</b>	<b>4,803,958</b>	<b>7,938,958</b>

Remark \*Retainer Fees are paid to the Board of Directors and the Audit Committee

### Other forms of remuneration to the Board of Directors

There was no other form of remuneration to the Board, except the Chairman of the Board who is entitled to the reimbursement of travelling allowance in amount up to Baht 1 million per year. However, in 2015 the Chairman of the Board did not utilize such traveling allowance.



## The Executive Remuneration

### Remuneration of Top Management

Policy for remuneration of top management is fair and reasonable, in line with international practice, with both fixed and variance income. For example, base remuneration takes into consideration of local and international benchmark, company's size, scope of responsibility, year of service, and variable pay takes into consideration of company's performance and results, both of which are in line with international practice. The Corporate Governance Committee was assigned by the Board to review framework of the top management's remuneration to be in line with standards and to be reasonable. The Executive Committee ensured compliance of such framework.

### Total remuneration of the Executive Committee

Remuneration	Year 2014		Year 2015	
	People	Amount (million baht)	People	Amount (million baht)
Salary, Bonus and other welfare	17*	258.16	16*	253.33
Contribution to Provident Fund		4.19		4.84
<b>Total</b>		<b>262.35</b>		<b>258.17</b>

**Remark** \* including change of Executives during year

### Personnel

as of 31 December 2015	In 2013	In 2014	In 2015
Employees at Stores and DC	24,682	25,000	24,750
Employees at Head Office	1,527	1,466	1,352
<b>Total</b>	<b>26,209</b>	<b>26,466*</b>	<b>26,102*</b>
Salary (Million Baht)	6,600	6,776	6,651

(Salary, wage, bonus, contribution to social security and provident fund)

**Remark** \* Total employees end of 2015 decreased, due to more efficient process management.

### Employee benefits

Employees compensation and benefits are aligned with performance of the Company and performance of individual employees, i.e., competitive, fair, flexible and lean. The Company adopted Performance Development Plan (PDP) which comprises of evaluation of key performance indicator (KPI), competency, and development plan.

#### 1. Short term employee benefit

This includes salaries, wages, bonuses, contributions to the social security fund and provident fund and other welfares, such as medical expense, health check, life insurance, etc.

#### 2. Post-employment benefits

**Provident Fund** : The Company participated in a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5.5 percent of monthly salary. The fund, managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. Total contributions by the Company for the year 2015 is approximately Baht 152 million (2014: Baht 146 million).

### Severance Payment

The Company has obligations in respect of the severance payments under labor law, where it shall pay to the employees upon termination. This is deemed post-employment benefit.

### Human Resources Development

The Company continues to develop human resources in order to increase their potential and work efficiency, and align with our objectives, policies and direction. We are also building awareness amongst our associates of the importance of being a good corporate citizen. In 2015, the following activities were organized to develop our human resources:

- **Cultivate Employees' Potential and Promote Diversity:** Recruit qualified employees and extend employment opportunities to people with disabilities.
- **Create Career Growth:** Advancement through internal career progression and setting career development roadmap parallel with talent management.
- **Succession Plan:** Identify positions crucial to the business and prepare successors for each role to support business continuity in the long run.
- **Enhance Learning at Big C Academy:** Implement training roadmap and career path, while constantly developing e-learning programs to meet business needs.
- **Listen to Opinions:** Provide various channels for employees to comment or make recommendations, for example, via the call center and emails.

(More information about human resources development is in the CSR Report in the following section.)

# Company's Securities and shareholders

## Registered Capital and Paid up Capital

As of 30 December 2015, the Company's registered capital is Baht 8,250,000,000 same as the paid-up capital of Baht 8,250,000,000, comprised of 825,000,000 ordinary shares, with a par value of Baht 10 per share. The Company is listed at the Stock Exchange of Thailand.

## Top 10 shareholders

Top 10 shareholders as of 30 December 2015

As of  
30 December 2015  
the Company's registered  
capital is Baht  
**8,250,000,000**  
Comprised of  
825,000,000  
ordinary shares

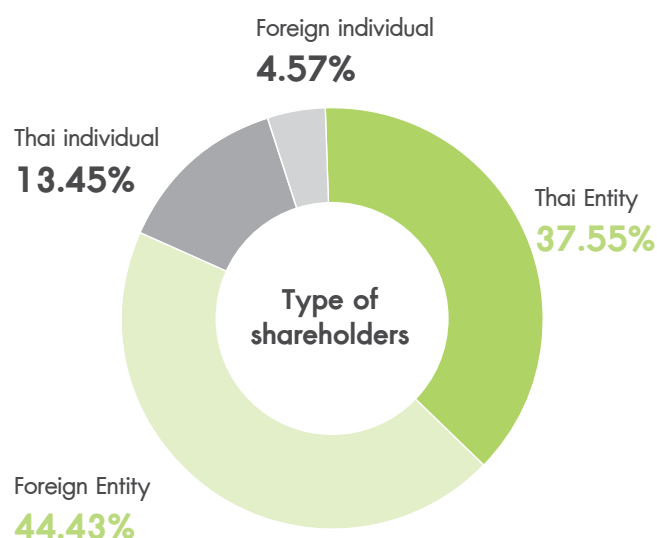
No.	Name	Shares	Percent
1	Geant International B.V. <sup>(1)</sup>	264,797,600	32.097
2	Saowanee Holdings Limited <sup>(1)</sup>	218,280,000	26.458
3	THAI NVDR	61,959,997	7.510
4	Mrs. Arunee Chan	37,619,714	4.560
5	UBS AG Singapore Branch	18,000,000	2.182
6	Barclays Bank PLC, Singapore	15,900,000	1.927
7	State Street Bank Europe Limited	12,544,145	1.521
8	Social Security Office	11,405,600	1.382
9	Morgan Stanley & Co. International Plc	10,977,095	1.331
10	Credit Suisse (Hong Kong) Limited	10,820,000	1.312
<b>Total</b>		<b>662,304,151</b>	<b>80.279</b>

- Free float is 41.45%
- Top 10 shareholders Information above will be updated after XM and available on the Company's website ([www.bigc.co.th](http://www.bigc.co.th)) from 9 April 2016 onwards

### Remark

<sup>(1)</sup> Shareholders having influence on management policy of the Company including by nominating persons as directors.

As of 30 December 2015, there were 3,583 shareholders.



No. of share	No. of shareholder	% of shareholders
1 - 100,000	3,444	96.12%
100,001 - 1,000,000	62	1.73%
1,000,001 - 8,500,000	64	1.79%
8,500,000 up	13	0.36%
<b>Total</b>	<b>3,583</b>	<b>100%</b>
<b>Other type of securities</b>	- None -	

## Dividend Policy

### Dividend Policy for the Company

The Company has a policy to pay dividends at the rate not less than 30 per cent of annual stand-alone net profit after deduction of legal reserve. The Company regularly pays dividend in line with this policy.

### Dividend Policy for subsidiaries

The Company holds more than 90% of the shares of its subsidiaries. It therefore has a policy to pay the dividends at maximum rate possible in order to allow Big C to fully realize revenue from its subsidiary.

Annual Dividend Payments over the last 3 years	2013	2014	2015 <sup>2</sup>
Dividend Payment (Baht / Share)	2.55	2.62	2.62
Dividend Amount (Baht)	2,103,750,000	2,161,500,000	2,161,500,000
Dividend Payout Ratio (percent)	30	30	33
Legal Reserve (Baht) <sup>1</sup>	-	-	-
Number of Shares	825,000,000	825,000,000	825,000,000

#### Remark

<sup>1</sup> In 2011, the legal reserve met legal requirement, i.e., ten (10) percent of the Company's registered capital.

<sup>2</sup> Subject to approval of AGM 2016 to be held on 28 April 2016

# Experience of Board

1



Mr. Akani Thapthimthong

**Chairman, Board of Directors**

**Audit Committee Member**

**Independent Director (Appointed 28 Apr. 2010)**

- Education**
- Master of Business Administration, London Business School, England
  - Bachelor Degree in Political Science and Philosophy, Queen's University of Belfast, North Ireland
  - Fellow Chartered Account (FCA), Institute of Chartered Accountants in England and Wales

**Current Positions in other listed companies :** None

**Current Positions in other non-listed companies**

- Director, Burda Holding (Thailand) Co., Ltd.
- Director, Peangdao Garden Co., Ltd.

**Past Experiences**

1995 - 2012 Consultant, Goldman Sachs Thailand

1991 - 1994 Executive Director, Goldman Sachs Hong Kong

1980 - 1990 Executive Director, Goldman Sachs London

**Training with Thai IOD :** None

**% Shareholding in the Company (direct and indirect)**

- None



2



Mr. Robert James Cissell

**Managing Director (Appointed 5 Nov. 2014)**  
**Chairman, Risk Management Committee**  
**Chairman, Corporate Social Responsibility Committee**

**Education**

- International Leadership Program, Wal-Mart
- 2-year Leadership Development Program, Kingfisher
- Advance Level, Farnborough College, United Kingdom

**Current Positions in other listed companies :** **None**

**Current Positions in other non-listed companies (Subsidiaries)**

- Director, Surat Big C Limited
- Director, Central Superstore Co., Ltd.
- Director, Chiang Mai Big C (2001) Co., Ltd.
- Director, Big C Distribution Co., Ltd.
- Director, Theparak Big C Limited
- Director, Chiang Rai Big C Co., Ltd.
- Director, Phitsanulok Big C 2015 Limited
- Director, Central Pattaya Co., Ltd.
- Director, Phraram II Big C Co., Ltd.
- Director, Udon Big C Co., Ltd.
- Director, Inthanon Land Co., Ltd.
- Director, Big C Fairy Limited
- Director, Phisanulok Big C Limited
- Director, C Distribution (Thailand) Co., Ltd.
- Director, C-Distribution Asia Pte. Ltd.

**Past Experiences**

2011 - 2014 Chief Executive Officer, Reliance Retail, India  
 2008 - 2011 Chief Operating Officer, Wal-Mart, Greater China  
 2006 - 2008 Chief Executive Officer, Robert Dyas, UK

**Training with Thai IOD**

- Directors Accreditation Program (DAP), Class Big C/2015

**% Shareholding in the Company (direct and indirect)**

- **None**

3



Mr. Sun Vithespongse

**Chairman, Audit Committee**  
**Independent Director (Appointed 4 Nov. 2015)**

**Education**

- National Defense College (Class 4616)
- Certificate of Energy Planning, Pennsylvania University, USA
- Bachelor of Economics, University of Tasmania, Australia

**Current Positions in other listed companies :** **None**

**Current Positions in other non-listed companies**

- Chairman of the Board, TICON Management Co., Ltd.

**Past Experiences**

2014 - 2015 Secretary to the Minister of Finance of Thailand  
 2012 - 2014 Member of the Board, LH Financial Group Plc.  
 2011 - 2014 Commissioner, Thailand's Energy Regulatory Commission  
 2010 - 2011 Fiscal Analysis Advisory Level, Ministry of Finance of Thailand  
 2008 - 2010 Executive Director, World Bank, Washington D.C.  
 2007 - 2008 Member of the Board, Neighboring Countries' Economic Development Agency (NEDA)  
 2007 - 2008 Advisor in Finance, Ministry of Finance of Thailand  
 2006 - 2008 Member of the Board, Mass Rapid Transit Authority of Thailand (MRTA)  
 2006 - 2007 Member of the Board, Expressway Authority of Thailand  
 2006 - 2006 Member of the Board, Electricity Generating Authority of Thailand (EGAT)  
 2005 - 2006 Member of the Board, Mass Rapid Transit Authority of Thailand (MRTA)

**Training with Thai IOD :** **None**

**% Shareholding in the Company (direct and indirect)**

- **None**

4

Mr. Vachara Tuntariyanond



**Chairman, Corporate Governance Committee**  
**Audit Committee Member**  
**Independent Director (Appointed 24 Apr. 2013)**

**Education** ● Master of Science In Management  
Administration, Northrop University,  
California, USA

**Current Positions in other listed companies**

- Chairman of the Board, Eastern Polymer Group Plc.
- Director and Chairman of the Audit Committee,  
Krungthai Asset Management Plc.

**Current Positions in other non-listed companies**

- Member of the Board, Government Savings Bank
- Director and Risk Management Committee,  
National Credit Bureau Co., Ltd.

**Past Experiences**

- 2010 - 2013 Member of the Board and Chairman of  
the Board of Executive Directors,  
MFC Asset Management Plc.
- 2010 - 2011 Advisor to the Board of Director,  
Port Authority of Thailand
- 2008 - 2009 Member of the Board and Deputy,  
Government Housing Bank
- 2007 - 2008 Chairman of the Board of Directors,  
Bangkok Metropolitan Administration Office of  
Pawnshop
- 2001 - 2004 Member of the Board of Directors, Thai Oil Plc.

**Training with Thai IOD**

- Director Certification Program (DCP), 94/2007
- Audit Committee and Continuing Development Program  
(ACP), 41/2012
- Monitoring Fraud Risk Management (MFM), 8/2012
- Monitoring the Quality of Financial Reporting (MFR),  
16/2012
- Monitoring the Internal Audit Function (MIA), 13/2012
- Monitoring the System of Internal Control and Risk  
Management (MIR), 13/2012
- Corporate Governance for Capital Market Intermediaries  
(CGI), 6/2015

**% Shareholding in the Company (direct and indirect)**

- None

5

Mr. Kijja Pattamasattayasonthi



**Corporate Governance Committee Member**  
**Independent Director (Appointed 8 Apr. 2014)**

**Education** ● Master of Industrial Engineering, University of  
Texas at Arlington, USA  
 ● Master of Business Administration,  
Thammasat University  
 ● Bachelor of Chemical Engineering,  
Chulalongkorn University

**Current Positions in other listed companies : None**

**Current Positions in other non-listed companies**

- Managing Director, Chic Republic Co., Ltd.

**Past Experiences**

- 1990 - 2009 Managing Director, Index Living Mall Co., Ltd.
- 1987 - 1989 Branch Manager, Alfa Laval (Thailand) Co., Ltd.

**Training with Thai IOD**

- Director Certification Program (DCP), 193/2014

**% Shareholding in the Company (direct and indirect)**

- None

6

Ms. Suvabha Charoenying



### Corporate Governance Committee Member Independent Director (Appointed 4 Nov. 2015)

- Education**
- Certified Financial planner (CFP) (2013), Thai Financial Planners Association
  - Certificate of TLCA Leadership Development Program, IMD Lausanne, Switzerland
  - Certificate of Capital Market Academy, Batch 1
  - Certificate of Families in Business from Generation to Generation, Harvard Business School
  - Master of Business Administration, Finance and Marketing, Assumption University, Bangkok, Thailand
  - Bachelor of Business Administration, Finance and Banking, Assumption University, Bangkok, Thailand

### Current Positions in other listed companies

- Director, T.K.S. Technologies Plc.
- Director and Executive Director, Thanachart Securities Plc.

### Current Positions in other non-listed companies

- Director, Humanica Ltd.

### Past Experiences

2001 - 2015 Managing Director, Thanachart Securities Plc.  
1996 - 2001 CEO, Schroder Asset Management Ltd.

### Training with Thai IOD

- Fellow member of IOD, 2000
- Director Certification Program (DCP), Class 1/2000
- Finance for Non-Finance Directors (FND), Class 1/2003
- DCP Refresher (DCP-Re), Class 1/2005
- Successful Formulation & Execution of Strategy (SFE), Class 6/2010
- Audit Committee Program (ACP), Class 35/2011
- The Executive Director Course (EDC), 1/2012
- Financial Institutions Governance Program (FGP), 5/2012
- Train the Trainer (TOT), 1/2013
- Corporate Governance for Capital Market Intermediaries (CGI), Class 0/2014 (class for IOD trainers)

### % Shareholding in the Company (direct and indirect)

- None

7

Mr. Praphan Eamrungrroj



### Non-Executive Director (Appointed 28 Apr. 2010)

- Education**
- Master of Business Administration, Thammasat University
  - Master of Industrial Engineering, Asian Institute of Technology
  - Bachelor (First Class Honors) of Mechanical Engineering, Chulalongkorn University

### Current Positions in other listed companies : None

### Current Positions in other non-listed companies

- None

### Past Experiences

2000 - 2014 Executive Vice President, Properties, Big C Supercenter Plc.  
2013 Director, Chiang Mai Big C (2001) Co., Ltd.  
2013 Director, Chiang Rai Big C Co., Ltd.  
2013 Director, Big C Distribution Co., Ltd.  
2013 Director, Cencar Co., Ltd.  
2013 Director, SSCP (Thailand) Co., Ltd.  
2013 Director, Nava Nakarintr Limited  
2013 Director, Inthanon Land Co., Ltd.  
2013 Director, Phisanulok Big C Limited  
1999 - 2000 Vice President (Asset Management), Bangkok Capital Alliance Co., Ltd.  
1990 - 1999 Executive Director (Asset Management), Pacific Assets Plc.

### Training with Thai IOD

- Director Certification Program (DCP), 169/2013

### % Shareholding in the Company (direct and indirect)

- None

8



Dr. Herve Daudin

**Non-Executive Director (Appointed 24 Jul. 2013)**

- Education**
- PhD in Economics, European Doctoral Program
  - Master of Physics, University of Paris VI
  - Master of Science, Ecole normale superieure, Paris
  - Bachelor of Science, Ecole des Ponts et Chaussees, Paris

**Current Positions in other listed companies**

- Merchandise & Supply Chain Director, Groupe Casino, France
- Member of the Executive Committee, Groupe Casino, France

**Current Positions in other non-listed companies**

- Chairman, EMCD
- Chairman, DCF
- Chairman, C discount Group
- Director, C-Distribution Asia Pte. Ltd.

**Past Experiences**

2005 - 2008 Supply Chain Director, Groupe Casino, France  
 2003 - 2005 Strategy and Plan Director, Groupe Casino, France  
 2002 - 2003 Deputy Director, Groupe Euris, France  
 1995 - 2002 Various positions/Treasury Department and Minister's staff, Ministry of Economy and Finance, France

Training with Thai IOD : **None**

**% Shareholding in the Company (direct and indirect)**

- **None**

9



Mr. Gabriel Naouri

**Non-Executive Director (Appointed 8 Apr. 2014)**

- Education**
- Master of Applied Mathematics, Paris-Dauphine University

**Current Positions in other listed companies**

- Deputy Head of International Coordination, Groupe Casino, France

**Current Positions in other non-listed companies**

- **None**

**Past Experiences**

2012 - 2014 Head of Private Label, Digital and Innovation, Groupe Casino, France  
 2010 - 2012 Chief Operating Officer, Geant Casino Northern Operations, France  
 2008 - 2010 Store Manager, Groupe Casino, France

Training with Thai IOD : **None**

**% Shareholding in the Company (direct and indirect)**

- **None**



10

Mr. Philippe Alarcon

**Non-Executive Director (Appointed 30 Apr. 2012)**

- Education**
- Training, H.E.C. International
  - Training in Finance, Management, Organization, Legal
  - Bachelor of Finance and Accountancy, Saint-Etienne University

**Current Positions in other listed companies**

- Chief Operation Officer, Casino Group International Activities
- Director, Grupo Exito, Colombia

**Current Positions in other non-listed companies**

- Chairman of the Board, Mayland Real Estate
- Director, CAVINOI Ltd.

**Past Experiences**

- 2005 - 2011 General Manager, Casino Real Estate
- 1998 - 2005 Chief Operation Officer & CFO, Casino Poland Real Estate
- 1995 - 1998 CFO, Casino Catering Activities
- 1990 - 1994 Member of the Steering Committee In-charge (Process, IT, Financial Analyst, HR), The Rally Activities Integration
- 1986 - 1990 CFO, Supermarket Business
- 1984 - 1986 Project Manager, Casino Group Financial Analyst Team
- 1979 - 1984 Project Manager, COLAS : Construction Business

Training with Thai IOD : **None**

% Shareholding in the Company (direct and indirect)

- **None**

11

Mr. Guillaume Pierre Antoine Marin Humbert

**Non-Executive Director (Appointed 20 Oct. 2010)**

- Education**
- Bachelor of Management, Toulouse Graduate School of Management, France

**Current Positions in other listed companies**

- Senior Vice President, Corporate Finance, Groupe Casino, France

**Current Positions in other non-listed companies**

- Director, Isodev, France
- Director, Gelase, Belgium
- Director, Polca, Belgium
- President, Cofidol, France
- CEO and Director, Tevir, France
- Director, Casino Re, Luxembourg

**Past Experiences**

- 2007 - 2010 Chief Financial Officer, Real Estate Investment Trust Fonciere des Regions, Paris and Milan
- 1993 - 2007 Vice President, Credit Agricole Corporate and Investment Bank, Milan, New York and Paris
- 1991 - 1992 Vice President, BHP Billiton, Johannesburg

Training with Thai IOD : **None**

% Shareholding in the Company (direct and indirect)

- **None**

12

Ms. Josseline de Clausade

**Non-Executive Director (Appointed 10 Apr. 2013)**

- Education**
- Certificate of Executive Management Session, Stanford University
  - Certificate of Executive Finance Session, Harvard University
  - Certificate of National Administration School, ENA
  - Master of Political Institute, Institut d'Etudes Politiques, Paris
  - Master of Business, Paris IX- Dauphine

**Current Positions in other listed companies**

- CEO Advisor, Groupe Casino, France

**Current Positions in other non-listed companies**

- None

**Past Experiences**

2008 - 2011 Senior Vice President, AREVA  
 2007 - 2008 General Secretary of the Commission, Jacques Attali

**Training with Thai IOD : None****% Shareholding in the Company (direct and indirect)**

- None

13

Ms. Diane Coliche

**Non-Executive Director (Appointed 10 Apr. 2013)**

- Education**
- Master of Corporate Law and Tax, University of Paris II (Assas)
  - Master of Business Administration, ESSEC, Paris

**Current Positions in other listed companies**

- Corporate Development Director, Groupe Casino, France

**Current Positions in other non-listed companies**

- Director, Monoprix, France

**Past Experiences**

2004 - 2010 Executive Director, Real Estate and Lodging, Morgan Stanley, Paris and London  
 2003 - 2004 Associate Investment Banking, Morgan Stanley, London  
 2000 - 2003 Analyst Investment Banking, Morgan Stanley, Paris and London

**Training with Thai IOD : None****% Shareholding in the Company (direct and indirect)**

- None

14

Ms. Rumpa Kumhomreun



**Executive Director (Appointed 30 Apr. 2012)**  
**Corporate Governance Committee Member**  
**Risk Management Committee Member, Chief Risk Officer**  
**Corporate Social Responsibility Committee Member**

- Education**
- Master of Business Administration, Thammasart University
  - Bachelor of Accounting, Kasetsart University
  - Certified Public Accountant, Thailand

**Current Positions in other listed companies :** **None**

**Current Positions in other non-listed companies (Subsidiaries)**

- Director, Surat Big C Limited
- Director, Central Superstore Co., Ltd.
- Director, Chiang Mai Big C (2001) Co., Ltd.
- Director, Big C Distribution Co., Ltd.
- Director, Theparak Big C Limited
- Director, Chiang Rai Big C Co., Ltd.
- Director, Phitsanulok Big C 2015 Limited
- Director, Central Pattaya Co., Ltd.
- Director, Phraram II Big C Co., Ltd.
- Director, Udon Big C Co., Ltd.
- Director, Inthanon Land Co., Ltd.
- Director, Big C Fairy Limited
- Director, Phisanulok Big C Limited
- Director, Cencar Co., Ltd.
- Director, C-Distribution Asia Pte. Ltd.

#### **Past Experiences**

- 1994 - 1995 Accounting Director, Seagate Technology (Thailand) Co., Ltd.
- 1990 - 1994 Accounting Manager, National Starch & Chemical (Thailand) Limited

#### **Training with Thai IOD**

- Director Certification Program (DCP), 169/2013
- Directors Accreditation Program (DAP), Class Big C/2015

**% Shareholding in the Company (direct and indirect)**

- **None**

15

Mr. Stephen Joseph Camilleri



**Executive Director (Appointed 8 Apr. 2015)**  
**Risk Management Committee Member**  
**Corporate Social Responsibility Committee Member**

- Education**
- Master of Education (Specializing in Adult and Continuing Professional Education), University of New South Wales, Sydney Australia
  - Graduate Diploma Adult Education, University of Technology, Sydney Australia
  - Bachelor of Arts, University of Sydney, Australia

**Current Positions in other listed companies :** **None**

**Current Positions in other non-listed companies**

- **None**

#### **Past Experiences**

- 2008 - 2011 Associate Director, PricewaterhouseCoopers FAS Ltd.
- 2005 - 2008 Senior Partner, Development Edge Consulting Ltd.
- 2003 - 2005 Director, HR & OD, Zuellig Pharma, Thailand
- 2002 - 2003 Director, HR & OD, GlaxoSmithKline, Thailand & Myanmar
- 2000 - 2001 Regional Director, HR & OD, GlaxoSmithKline, Asia Pacific
- 1995 - 1999 Regional HRD, Manager, GlaxoSmithKline, Asia Pacific

#### **Training with Thai IOD**

- Directors Accreditation Program (DAP), Class Big C/2015

**% Shareholding in the Company (direct and indirect)**

- **None**

# Experience of Executive Committee

1



Mr. Robert James Cissell

CEO & President

Relationship with BOD or Executives : **None**

2



Ms. Rumpa Kumhomreun

CFO and Vice President, Accounting & Finance  
Company's Secretary

Relationship with BOD or Executives : **None**

3



Mr. Stephen Joseph Camilleri

Vice President, Human Resources

Relationship with BOD or Executives : **None**

Note: More information of Executives No. 1-3 are available in the Board of Directors section.



4

**Ms. Christelle Genevieve  
Christiane Youx Dufour**



**Vice President, Budgeting & Controlling  
Risk Management Committee Member**

**Education** ● Bachelor of Engineering, Ecole d'Ingenieur  
Civil des Mines

**Current Positions in Subsidiaries companies**

- Director, Chiang Rai Big C Co., Ltd.
- Director, Big C Fairy Limited
- Director, Phisanulok Big C Limited

**Past Experiences**

2012 - 2013 CFO, Casino France  
 2010 - 2012 CFO, Hypermarkets - Supermarkets Casino  
 2007 - 2009 CFO, Easydis (Casino Logistic activity)  
 2007 - 2009 Project Manager, Responsibility for Casino  
 Group Working Capital improvement

**Relationship with BOD or Executives :** None

**% Shareholding in the Company (direct and indirect)**

- None

5

**Mr. Prawet Prungtangki**



**Vice President, Management Information System**

**Education** ● Bachelor of Political Science,  
Ramkhamhaeng University  
 ● Diploma in Computer Science,  
Chulalongkorn University

**Current Positions in Subsidiaries companies**

- Director, Surat Big C Limited
- Director, Central Superstore Co., Ltd.
- Director, Chiang Mai Big C (2001) Co., Ltd.
- Director, Big C Distribution Co., Ltd.
- Director, Theparak Big C Limited
- Director, Chiang Rai Big C Co., Ltd.
- Director, Phitsanulok Big C 2015 Limited
- Director, Central Pattaya Co., Ltd.
- Director, Phraram II Big C Co., Ltd.
- Director, Udon Big C Co., Ltd.
- Director, Inthanon Land Co., Ltd.
- Director, Big C Fairy Limited
- Director, Phisanulok Big C Limited
- Director, Cencar Co., Ltd.

**Past Experiences**

1994 - 1997 Senior Manager, Information System Division,  
Siam Makro Plc.  
 1990 - 1994 Professional Service Director,  
Siam Unisys Co., Ltd.  
 1979 - 1990 Sale Support Department Manager,  
Summit Computer Co., Ltd.

**Relationship with BOD or Executives :** None

**% Shareholding in the Company (direct and indirect)**

- None

6

Dr. Sarintip Satitsatian



### Vice President, Cost Optimization & Procurement

- Education**
- PhD in Industrial Engineering, University of Washington, USA
  - Master of Industrial Engineering, University of Washington, USA
  - Bachelor of Mechanical Engineering, KMITL, Thailand

### Past Experiences

- 2008 - 2009 Managing Director & Partner, PNH Distribution Co., Ltd., Phnom Penh, Cambodia
- 2006 - 2009 Managing Director, KCS Advertising Co., Ltd., Thailand

Relationship with BOD or Executives : **None**

% Shareholding in the Company (direct and indirect)

- **None**

7

Mr. Robert Godwin



### Vice President, Marketing & Communications

- Education**
- Master of Applied Mathematics, Warwick University

### Past Experiences

- 2013 - 2015 Head of Trade Marketing, Price & Loyalty, Woolworths Ltd.
- 2009 - 2012 Head of Trade Planning & Price, Tesco Lotus, Thailand
- 2007 - 2009 Site Research Country Manager, Tesco Lotus, Thailand

Relationship with BOD or Executives : **None**

% Shareholding in the Company (direct and indirect)

- **None**

8

Mr. Yotin Thavikulwat



### Vice President, Properties

- Education**
- Master of International Business Management, American Graduate School International
  - Bachelor of Marketing, Assumption University

### Current Positions in Subsidiaries

- Director, Cencar Co., Ltd
- Director, Big C Supercenter (Laos) Co., Ltd.

### Past Experiences

- 2001 - 2013 Director of Mall and Media, Tesco Lotus Thailand
- 2009 - 2011 Mall Leasing Director, Tesco Lotus Thailand

Relationship with BOD or Executives : **None**

% Shareholding in the Company (direct and indirect)

- **None**

9

Mr. Gary Hardy



### Vice President, Operations

### Risk Management Committee Member

### Corporate Social Responsibility Committee Member

- Education**
- Bachelor Degree in Retail Diploma, Sunderland University

### Past Experiences

- 2011 - 2014 Operations Director, Siam Makro
- 2009 - 2011 General Manager, Coles, Western Australia
- 2005 - 2009 Retail Operations Manager, Walmart, London

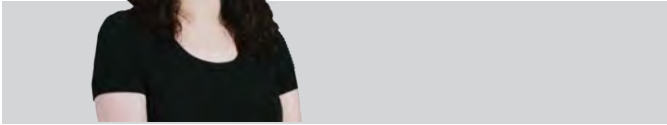
Relationship with BOD or Executives : **None**

% Shareholding in the Company (direct and indirect)

- **None**

10

Ms. Ching Wa Mimi Lam

**Vice President, Merchandise Food**

**Education** • Bachelor of Business Administration,  
Indiana University Bloomington, USA

**Past Experiences**

1995 - 2010 Vice President, Wal-Mart China Co., Ltd.

**Relationship with BOD or Executives :** None

**% Shareholding in the Company (direct and indirect)**

- None

11

Mr. Bruno Jousselin

**Vice President, Proximity, Convenience & Pure**

**Education** • Master of Business Administration,  
Marketing and Management, Institute  
Recherche et d' Actions Commerciales,  
Paris, France

**Past Experiences**

Director, Hard Goods Business Model Development,  
Carrefour Group, Paris, France

**Relationship with BOD or Executives :** None

**% Shareholding in the Company (direct and indirect)**

- None

12

Mr. Neil Brian McCann

**Vice President, Supply Chain**

**Risk Management Committee Member**

**Corporate Social Responsibility Committee Member**

**Education** • Bachelor of Politics & Economics,  
Newcastle Upon Tyne University

**Past Experiences**

2009 - 2010 Supply Chain Director, Danone, Asia Pacific

2007 - 2008 Logistics Director, M.H. Alshaya W.L.L

**Relationship with BOD or Executives :** None

**% Shareholding in the Company (direct and indirect)**

- None

13

Mr. Robert Darke

**Vice President, General Merchandise  
& Shopping Online**

**Education** • Bachelor of Business Studies (Upper Second),  
Kingston Polytechnic College,  
United Kingdom

**Past Experiences**

2013 - 2015 Managing Director, Power Buy Co., Ltd.

2011 - 2012 Managing Director, Comet Ltd., UK

2006 - 2011 Commercial Director, Comet Ltd., UK

**Relationship with BOD or Executives :** None

**% Shareholding in the Company (direct and indirect)**

- None

# Directors of subsidiaries and affiliates

As of 31 December 2015

# Directors of subsidiaries and affiliates

## As of 31 December 2015

		Subsidiaries														Affiliates		
	Big C Supercenter Plc.	Surat Big C Limited	Central Superstore Co., Ltd.	Chiang Mai Big C (2001) Co., Ltd.	Big C Distribution Co., Ltd.	Theparak Big C Limited	Chiang Rai Big C Co., Ltd.	Phitsanulok Big C 2015 Limited	Big C Supercenter (Laos) Co., Ltd.	Central Pattaya Co., Ltd.	Phraram II Big C Co., Ltd.	Udon Big C Co., Ltd.	Inthanon Land Co., Ltd.	Big C Fairy Limited.	Phisanulok Big C Limited	Cencar Co., Ltd.	C Distribution (Thailand) Co., Ltd.	C-Distribution Asia Pte. Ltd.
Board of Directors																		
1. Mr. Akani Thapthimthong	❖																	
2. Mr. Sun Vitthespongse	☀																	
3. Mr. Vachara Tuntariyanond	☀																	
4. Mr. Kijja Pattamasattayasonthi	☀																	
5. Ms. Suvabha Charoenying	☀																	
6. Mr. Praphan Eamrungraj	☀																	
7. Dr. Herve Daudin	☀																	☀
8. Mr. Philippe Alarcon	☀																	
9. Mr. Gabriel Naouri	☀																	
10. Mr. Guillaume Pierre Antoine Marin Humbert	☀																	
11. Mrs. Josseline de Clausade	☀																	
12. Mrs. Diane Coliche	☀																	
13. Mr. Robert James Cissell	◆	☀	☀	☀	☀	☀	☀	☀		☀	☀	☀	☀	☀	☀		☀	☀
14. Ms. Rumpa Kumhomreun	◆	☀	☀	☀	☀	☀	☀	☀		☀	☀	☀	☀	☀	☀	☀		☀
15. Mr. Stephen Joseph Camilleri	◆																	
Executive Committee *																		
1. Mr. Neil Brian McCann																		
2. Mr. Gary Hardy																		
3. Mr. Bruno Jouselin																		
4. Mr. Yotin Thavikulwat									☀							☀		
5. Dr. Sarintip Satitsatian																		
6. Mr. Prawet Prungtangki		☀	☀	☀	☀	☀	☀	☀		☀	☀	☀	☀	☀	☀	☀		
7. Ms. Ching Wa Mimi Lam																		
8. Ms. Christelle Genevieve Christian Youx Dufour						☀								☀	☀			☀
9. Mr. Robert Godwin																		
10. Mr. Robert Darke																		

❖ = Chairman of the Board      ☀ = Director      ◆ = Executive Director

\* Note : Definition of "Executive" is per SEC Announcement

# Message from the Audit Committee



**Sun Vithespongse**  
Chairman of  
the Audit Committee

Dear Shareholder,

**Big C Audit Committee consists of three independent directors who specialize in accounting, finance and business administration. Members of the current Audit Committee are as follows:**

- |                                     |   |
|-------------------------------------|---|
| <b>1. Mr. Sun Vithespongse</b>      | <b>Chairman of<br/>the Audit Committee*</b> |
| <b>2. Mr. Akani Thapthimthong</b>   | <b>Committee Member</b>                     |
| <b>3. Mr. Vachara Tuntariyanond</b> | <b>Committee Member</b>                     |

(\* The Chairmanship was transferred from Dr. Uttama Savanayana who resigned on 17 August 2015 to Mr. Sun Vithespongse who was appointed as a Chairman of the Audit Committee on 4 November 2015.)

All members of the Audit Committee perform their duties independently and meet the qualifications as prescribed in the Audit Committee Charter which aligned with the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee charter can be viewed on the website: [www.bigc.co.th](http://www.bigc.co.th)

In 2015, the Audit Committee convened 6 meetings, with complete attendance of all the members. These meetings were also attended by external auditors, internal auditors and Executives from various functions, namely Accounting and Finance, Management Information System, Legal Department, and Governance, Risk Management and Compliance Department, as relevant to each meeting's agenda. The Audit Committee reports on its performance to the Board of Directors on a quarterly basis.

The Audit Committee's significant activities have been summarized as follows:



## Review of the Company's Financial Statements

The Audit Committee reviewed significant information in the quarterly and annual separate and consolidated financial statements of the Company and its subsidiaries for 2015 as well as the disclosure in the notes to financial statements. As part of the review, Accounting and Finance Executives and external auditors were invited to provide the explanations to the Audit Committee to the reports being concurred and submitted to the Board of Directors for approval.

In addition, the Audit Committee held a meeting with the external auditors without the presence of the Management for the independent discussion on important issues concerning the preparation of financial statements and acknowledged the external auditor's management letter recommending improvements to the internal control system as well as to hear whether there was any suspicious information indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551. In 2015, the external auditors did not discover any material issues and indications of suspicious incidents.

The Audit Committee concluded that the internal control systems over financial reporting process were appropriate to ensure that the financial statements were prepared in accordance with the Generally Accepted Accounting Principles (GAAPs) and fairly presented the Company's financial position and performance in all material respects. Information was sufficiently disclosed in a timely manner for the benefit of shareholders, investors and financial statement users.

## Review of Connected Transactions or Transactions with Potential Conflict of Interest

The Audit Committee reviewed connected transactions or transactions that potentially conflicts of interest on a quarterly basis to ensure that the Company's operations are rational and aligned with regular commercial conditions including in compliance with the requirement of SEC.

The Audit Committee concluded that those transactions part of the normal course of business were carried out with regular commercial conditions and reasonable price for the best benefit to the Company. In addition, the Company made adequate disclosure as required by the Securities and Exchange Commission and the Stock Exchange of Thailand.

## Review of the Company's Internal Control System and Internal Audit System

The Audit Committee reviewed the Adequacy of Internal Control system through the audit results from the internal auditor on a quarterly basis which was correspondent with the external auditor's opinion on the effectiveness of the Company's internal control system that there was no material deficiency. The Audit Committee also reviewed the evaluation results for the Company's internal control system, which had been prepared by the management using guidelines from the Office of the Securities and Exchange Commission (COSO 2013 – Internal Control Integrated Framework) prior to the proposal to the Board of Directors on the disclosure in the Annual Report and Annual Registration Statement (56-1 Form).

The Audit Committee is therefore of the opinion that the Company's internal control system is adequate and appropriate for the Company's business operations.

In regards to Internal Audit, The Audit Committee was responsible for overseeing the Internal Audit Department to ensure that all internal audit activities were performed effectively and efficiently. In doing so, the Audit Committee approved the annual internal audit plan which was based on the Company's key risk areas. The internal audit activities emphasized on the evaluation of the effectiveness of key control points. The Audit Committee also reviewed Internal Audit's annual budget and its resource sufficiency as well as monitored progress of the plan and its results on a quarterly basis.

The Audit Committee concluded that the Company's internal audit system had been performed appropriately, sufficiently and effectively, and its annual audit plan was in accordance with the Company's goals and key risk areas. The internal audit performance accomplished its goals.

### Review of the Company's Risk Management

The Company's Risk Management Committee, in which the Company's CEO & President serves as the Chairman and the Vice Presidents as Committee Members, takes the roles to consider structure and approve policy for risk management framework as well as its plans and approaches under the Corporate Risk Profile. The Risk Management Committee also reviews risk profile and monitors risk management on a quarterly basis while the Risk Management function is responsible for compiling risk reports and managing risks. Director of Governance, Risk Management and Compliance, representing the Risk Management Committee, reported to the Audit Committee on the progress of Company's risk management implementation.

The Audit Committee concluded that the Company's risk management system had been operating appropriately and aligned with external and internal circumstance changes.

### Review of the Company's Corporate Governance

The Audit Committee held a meeting with Director of Governance, Risk Management and Compliance, representing the Corporate Governance Committee, to review the Company's Corporate Governance to ensure that the Company has appropriate and effective corporate governance framework which is aligned with best practice guideline. In this regard, Director of Governance, Risk Management and Compliance reported to the Audit Committee the progress of corporate governance activities which included whistle blowing channels that the Company provided for employees, customers and stakeholders to report on suspect of fraud or misconduct and assigned a responsible function for properly and transparently managing complaints.

The Audit Committee concluded that the Company's corporate governance process has been continuously improved to ensure operation efficiency and confidence among all stakeholders.

### Review of the Company's Compliance with Securities and Exchange Commission Laws, the Stock Exchange of Thailand's Requirements and Applicable Laws

The Audit Committee reviewed the Company's compliance with Securities and Exchange Commission laws, the Stock Exchange of Thailand's requirements and laws pertaining to the Company's business operations, as well as the requirements and encumbrances which might have ensued as a result of contracts entered with third parties, and other claims. In this regard, the Audit Committee deliberated on any such matters in conjunction with the Legal Director and the Director of Governance, Risk Management and Compliance, who reported as well as provided explanations and answers pertaining to the relevant aforementioned legal issues.

The Audit Committee is of the opinion that the Company has adopted a clear policy in compliance with Securities and Exchange Commission (SEC) laws, the Stock Exchange of Thailand's requirements, laws pertaining to the Company's business operations, and commitments vis-a-vis parties outside the Company. In 2015, no violation of laws and regulations was found.

### Selection and Appointment of External Auditor

The Audit Committee considered the nomination and appointment of external auditors pursuant to the Company's criteria in 2015, taking into account its independence, skills, competencies, knowledge, expertise, experience, and the competitiveness of the audit fee as well as 5-year auditor rotation required by the notification of the Capital Market Supervisory Board.

The Audit Committee proposed the appointment of Ms. Siriwan Suratepin, CPA (Thailand) License No. 4604, and/or Ms. Kamolthip Lertwitworathep, CPA (Thailand) License No.4377, and/or Ms. Sarinda Hiranprasetwut, CPA (Thailand) License No.4799 of EY Office Limited, as the Company's auditors for the year 2016, with a total audit fee of Baht 7,493,000.

#### Overall View on the Audit Committee's Performance

The Audit Committee reviews the Audit Committee Charter annually to ensure it is in line with best practices prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee also conducted an annual self-assessment both as a group and individuals by using the Audit Committee's self assessment form which aligned with SEC's guidelines.

In conclusion, the 2015 assessment resulted that the Audit Committee has fulfilled the duties entrusted by the Company's Board of Directors and specified by the Audit Committee Charter.



**Sun Vithespongse**  
Chairman of the Audit Committee

# Internal Control

The Company recognizes importance of internal control system. The Company, therefore, has continually improved its internal control system to enhance its effectiveness and efficiency with emphases on: the adequacy and suitability taking into account the associated risks; the proper, transparent and auditable business management and work performance. This is to reasonably assure the Company's achievement of its set targets. The Audit Committee has been entrusted with the responsibility to review the Company's internal control system provided by the management to see if it is suitable and efficient, based on the results of the auditing exercise conducted by the Internal Audit Department and the external auditor's opinion on the Company's internal control system. This is to ensure that the Company's internal control system is suitable, adequate, and extensive with coverage in all respects, including the management control, operational control, financial and accounting control, and legal compliance.

Assessment of the Company's internal control system has been conducted according to the Adequacy Assessment Form for Internal Control System in accordance with the Form of the Securities and Exchange Commission, which is in line with the internal control framework of the Committee of Sponsoring Organization of the Treadway Commission (or COSO 2013). The assessment was made on the aspects categorized by the components of the internal control as follows:

## 1. The Environment of the Control

The Company encourages good control environment by setting the vision, mission and organizational value, with an aim to propel a sustainable growth and top-notch operational performance of the organization, having in place clear short-term and long-term business operation targets and strategies that have been approved by the Board of Directors. The operational performance has been measured periodically, using the Balanced Scorecard and the Key Performance Indicators (KPIs), to monitor the business operation performance, comparing them with the set targets. The Company is prepared to adjust its business plans and strategies according to the current circumstance and consistently changing associated risks.

The Company has established the suitable organizational structure, line of control, and relationship between the intra-company units that are conducive to effective business operations. The suitable delegation of power and responsibility has been implemented.

The Company has in place the policies, rules, procedures and instructional manuals for the work performance of the operational units in all functions, including, for example, finance, procurement, human resources, and administrative work units. Those policies, rules, procedures and manuals have been communicated to, and recognized by, all employees. Non-compliant employees could be subjected to disciplinary punishments. Improvement of the aforesaid policies, rules, procedures and manuals has been made from time to time to maintain their suitability.

With respect to the personnel—the Company's most important resource, the Company has in place the job descriptions for all job positions, standardized assessment of employees' work performance and fair, clear and reasonable compensation schemes with the relevant internal and external factors are factored in. Trainings have been organized to improve employees' knowledge, skills and ability suitable for the employees' respective existing tasks and for the employees to be prepared for future changes. Various trainings are also made available electronically on-line continuously for employees' self-learning according to their preference to accomplish their respective career goals.

The Company has in place the policies on the occupational health, safety and working environment, which are in compliance with the applicable laws, to enhance the efficiency and effectiveness of the work safety management.

The Company has established the Code of Conduct, which has been acknowledged in writing by all employees, including those at the management level. Copies of

the Code of Conduct have been distributed to all employees and directors for their use as guidelines in performing their jobs with honesty, integrity, transparency and ethic.

The Company has the rules in dealing with all business counterparties fairly and indiscriminately in accordance with the customary business practice. The Company's procurement staff and suppliers as well as other business counterparties are bound by the confidentiality agreement/policy to determinedly do the business with accountability and fair to all stakeholders, based on the believe that sustainable growth of the Company should goes hand-in-hand with the growth and development of all stakeholders.

The Corporate Governance Committee was established and entrusted with the supervisory task to assure that the Company's business operations are conducted in compliance with the good governance policy, placing importance on honesty and business ethic. Channels are made available for expression of opinions and suggestions in connection with the service provision, for "whistle blowing" in connection with violation of law or business ethic, or suspicious dishonest or illegitimate behavior of employees, officers and other interested parties. These include raising incorrect financial reports, defective internal control system via ordinary mail, telephone, facsimile, e-mail, and internet to the website of the Company.

## 2. Risk Assessment and Management

The Risk Management Committee was established and entrusted with the responsibility to set policy framework and directions for the systematic risk management and handling. The Company's Risk Management Policy and Guidelines set the steps to be taken to identify risk indicators and risk factors, both inside and outside of the Company. Risk assessment is conducted on two aspects in order to determine the risk level (high, medium or low) as follows: the impact magnitude (both quantitative and qualitative) to assess how much damage could be done; and the occurrence probability (or likelihood). The assessment results are compared with the Risk Appetite to determine which are acceptable, and which are not. For the risks identified as needed to be more intensively controlled, the respective 'risk treatment plans' for those risks will be made, which include the key risk indicators for use by the risk managers to monitor the results of risk management and to make the risk management progress report to the Risk Management Committee, and further report to the Corporate Governance Committee and the Board of Directors, consecutively.

Importance is placed on preparation for the dynamic circumstance influenced or affected by the economic and political situations, the changes in laws, natural disasters, and environmental and safety regulations. The Company has in place the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to cope with the potential risks and critical situations, to assure the Company's uninterrupted business operations, and to mitigate damage and adverse effects suffered.

### Risk Management

The Company adopted Enterprise Risk Management as a tool to handle with uncertainty that may have impact on business goals which the Risk Management Policy was already set up, together with the regularly update and promote Risk Management Process entire Company to ensure that the Company can accomplish its goals, to deal with the changes and risks that may occur immediately and to create more shareholders and stakeholders confidence.

Board of Directors approved Risk Management Policy and authorized Risk Management Committee for this responsibility. Also note that the Company's executives have to do the Risk Assessment on yearly basis which cover Operational risk, Financial Risk, Strategic Risk, Compliance Risk and Fraud Risk. Risk Manager will be a coordinator who analyzes and evaluates the results whether particular risk is at acceptable level or not. Risk Manager is required to report and provide the solution (if any) to Risk Management Committee for consideration and then to propose to Board of Directors.

(Further information is available under section Risk Management and Risk Factor.)

## 3. Controlling Activities

Controlling activities have been implemented. The areas covered include major operations which are material in carrying on the business, including those related to the critical information systems. The control activities are mainly of preventive nature to ensure that the risk management method or the control activities are pragmatic, realistically help prevent or minimize exposure to the risks that potentially causes damage to the business operations. In addition, the policies, rules and controlling activities are reviewed and revised periodically to make them suitable for the changing situations and associated risk profiles. The control activities are summarized as follows:



- The framework of the delegation of approving power to the managements at different cascading levels is clearly set in writing, and is reviewed and revised to maximize its suitability according to the change of organizational structure, while maintaining good check-and-balance mechanism and flexibility in business operations and internal control.
- Job segregation principle is adhered to in defining the responsibilities of the authorized approvers, transaction recording staff, information processing staff, and asset keeping staff to constitute the cross-checking and balancing of power mechanisms. Appropriate power distribution has been implemented to promote work performance flexibility. Staff rotation policy has been adopted and implemented appropriately in terms of suitable job positions and timing.
- In the case of activities classified as connected transactions or activities that potentially give rise to conflict of interest, tight measures in the form of policies and practicing rules which require that approvals must be obtained from the designated authorized persons. The approval process must be in line with the requirements of The Stock Exchange of Thailand and the Securities and Exchange Commission and for the best interest of the Company. To uphold this principle, the authorized approvers are barred from participating in the approval granting process if they have interest in the proposed activities in question. Each interested director and interested management is required to file within the prescribed time period a report of her/his relevant interest as well as the relevant interest of her/his 'related persons.' Such report must be made in the prescribed form, which the reported information also include the equity interest in the Company.
- Information Security Policy and Manual were made and communicated via the Company's intranet and were sent by e-mail directly to each employee. This is to promote employees awareness of information security. Security standards were set to control access to the information and utilization of information. Information has been classified, and the access to the classified information has been appropriately controlled. Computer data traffic information has been recorded according to the applicable regulations of the Information Technology and Communication Ministry. The Company accomplished the successful completion

of its ISO 27001 Project in the context of Data Centre, being granted with the ISO 27001 Certificate on 15<sup>th</sup> March 2012.

- The Legal Department and Corporate Governance Department have been entrusted with the responsibility to ensure full law compliant operations of the Company's business. This is to minimize exposure to the non-compliance risk. To accomplish this objective, the Company has in place various law compliance measures or process, e.g. compilation and development of law compliance database, development of law compliance management system and warning system to prevent untimely actions that need to be taken within the time period, and organization of trainings and provision of advices for staff of all units within the Company.

## 4. Information and Communication

The Company has continuously developed and improved its information system and provided channels for efficient intra-company communication with systematic data processing which is accurate, reliable, operates in a timely and suitable manner to accommodate the users' demand for the purposes of work execution and analytical usage. As a result, important information needed for decision-making by the Board of Directors and Management can be made available adequately well in advance. For example, the materials and information necessary for Board of Directors meetings can be provided to the Board members not less than 7 days before the meeting, giving them ample time for preparation and being ready for the meeting and making the decisions. In addition, the questions, discussion, debate, observations, and decisions on the matters raised for consideration at the meetings can be completely recorded in detail.

The supporting information and documents for account book recording and financial statements preparing and other important documents are kept and retained in an organized fashion and for the period of time as required by law. The Company has never received comment from the auditor about any deficiency in document keeping. The Audit Committee has reviewed the audited quarterly and yearly financial statements of the Company, and has discussed with the management and the auditor the significant information in the Notes to the Financial Statements, e.g. the accounting policy, assessment and judgment process used in preparing the financial statements.

The Audit Committee was of the opinion that the financial statements have been prepared in accordance with the generally accepted accounting principles, containing accurate, complete, and reliable information. The adopted accounting policies were reasonable. The information disclosure was sufficient, timely and beneficial to the shareholders, investors and other financial statements users.

Intra-company communication via e-mails and intranet has been used to communicate to employees the information about the Company's policies, rules and orders. Internal meetings at all levels of the organization are held and exploited as communication channel for employees to express their opinions to develop work operations and improve work system efficiency. Company's website is available for employees and outside stakeholders as channel of communication with the Company.

## 5. Monitoring

The Company has in place the work operation monitoring and assessment processes. The set KPIs are used to measure the performance and the results thereof are reported to the Management and Board of Directors regularly. If the performance results negatively deviate from the plan or targets, analyses are conducted to identify the cause(s) and rectification measures must be established and implemented to solve the problem within the reasonable time fixed.

Monitoring activities were organized and implemented by a separately different work unit to continuously monitor and assess the internal control system. The continuous monitoring and assessment activities are set as routine works in the course of the Company's business operations to enable the Company to be responsive to the changing situations, whereas the monitoring and assessment by a separately different work unit, under the Internal Audit Department, is set to assess the adequacy and effectiveness of the internal control system for the important administration and operation processes, in accordance with the annual audit plan approved by the Audit Committee. The monitoring and assessment results are reported to the Audit Committee on a quarterly basis. The follow up conduct to measure the progress of work process improvement according to the recommendations stated in the audit report.

At the Board of Directors Meeting No. 1/2016, held on 9 February 2016, the meeting approved, as recommended by the Audit Committee, the summarized opinion on the adequacy of the internal control system. That is to say: the Company's internal control system was designed and implemented with adequacy and suitability for the business operations without material deficiency; the Company's financial reports were prepared in accordance with the generally accepted accounting standards with adequate information disclosure; the Company's business operations have been conducted in compliance with the Securities and Exchange Act and other applicable laws.

## Heads of Internal Audit and Compliance

Miss Nantavadee Suntibunyut is the Director of Internal Audit Department and Secretary to the Audit Committee since 2000. She has intensive experience in the Company's audit over 15 years. She has developed her expertise through training in related topics. The Audit Committee has reviewed adequacy of the resource of internal audit team and supported the internal audit in continuous development of expertise. The Audit Committee also supervised the appointment, rotation, removal or evaluation of performance of the head of internal audit in accordance with the AC Charter. Compliance with SET/SEC regulations of the Company and the Board of Directors and corporate level risks are under responsibility of Mrs. Phatchada Muenthong, Director of Governance, Risk Management and Compliance Department.

### Details of Heads of Internal Audit and Compliance

#### 1. Heads of Internal Audit : Ms. Nantavadee Suntibunyut

##### Education:

- Master of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University

##### Experiences:

- Accounting Director Inoue Rubber (Thailand) Plc.
- Internal Audit Director Big C Supercenter Plc.

#### 2. Head of Compliance: Mrs. Phatchada Muenthong

##### Education:

- Master of Comparative Law, Michigan University, USA
- LL.M, Chulalongkorn University

##### Experiences:

- Attorney-at-law, Tilleke & Gibbins Law Firm
- Corporate Legal and Compliance / Company Secretary, Siam City Cement Plc.

# Message from the Corporate Governance Committee



**Vachara Tuntariyanond**  
Chairman of the  
Corporate Governance  
Committee

Dear Shareholder,

The Corporate Governance Committee (CGC) is a sub-committee of which the Chairman and the majority of members are selected from Independent Directors. The Board of Directors has assigned the committee to make recommendations on 3 main areas: corporate governance policies and practice, remuneration for members of the board and sub-committees, and criteria for selecting members of the board and top management.

2015 is another year that saw significant progress in the Company's corporate governance practices. Big C received recognition for our corporate governance efforts, including an "Excellent" score on the Corporate Governance Report from the Thai Institute of Directors (IOD), and a "5TIA" rating on the Assessment of AGM Quality from the Thai Investors Association.

As Chairman of the CGC, I would like to take this opportunity to express my sincere appreciation to Mr. Rapee Sucharitakul, my predecessor as CGC Chairman, and all Board members who contributed to the success of our corporate governance practices. I would also like to thank all of our Executives and associates for ensuring that good corporate governance is upheld throughout the Company.

The CGC would like to report on key developments and achievements in corporate governance and actions taken in accordance with the Stock Exchange of Thailand's (SET) Principles of Corporate Governance for Listed Companies as follows:

1. Significant improvements have been made in regards to the Company's corporate governance policy, integrating regulations, risk assessment framework, and best practices into the process and reviewing them on a regular basis. For example, as a principle of good corporate governance, the framework of the Board of Directors and sub-committees, including supporting Executives and personnel, is constantly reviewed and updated to adhere to the new policies and to ensure that the Company's direction is aligned. Our principle of corporate governance is currently aligned with those of the Organisation for Economic Co-operation and Development (OECD) and the Stock Exchange of Thailand (SET). In addition, the CGC has reviewed and expanded its scope of responsibility to provide recommendations on the top management selection process and criteria, performance evaluation, remuneration and succession plans.

2. The Company has established a number of policies to enhance and support the Company's operations to effectively standardize work processes, reduce risks and reaffirm our commitment as a good corporate citizen. These policies include:

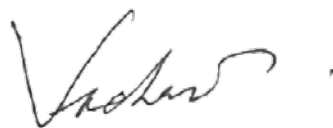
- Fraud risk management policy and protocols on receiving complaints, investigation and enforcement procedures, and guidelines on reporting and disclosing information;
- Corporate Social Responsibility policy which is practical, measureable, and aligned with our vision of being the "Marketplace at the Heart of the Community";
- Anti-money Laundering and Anti-terrorism policy to monitor financial transactions in compliance with the law and the Thai government's international commitments.

3. The Board of Directors and the Executive Committee have clearly expressed support in strengthening our corporate governance by setting clear milestones for obtaining certification on anti-corruption, and establishing a Corporate Social Responsibility Committee and a fraud risk management team represented by various functions, which report to the Board of Directors. The Corporate Ethics Committee was also established in 2015 by the Risk Management Committee to oversee fraud and corruption risk management, while the fraud risk management team's main responsibility is to review business operations and internal controls to prevent fraud and corruption.

4. The Board of Directors is determined to create and reinforce a corporate culture which drives good governance. In 2015, all Big C associates acknowledged and signed the Code of Conduct, after passing an online training course designed to guide them through scenarios to test their understanding. The Executive Committee will continue to raise awareness of the importance of good governance throughout the Company.

In 2015, the CGC met 6 times to ensure that all tasks outlined in the Corporate Governance Charter were fulfilled. The committee conducted a self-evaluation exercise with satisfactory results and in accordance with the Principles of Good Corporate Governance for Listed Companies.

Overall, the CGC is pleased to inform you that the Company has implemented successful corporate governance activities in 2015 and received acknowledgement from notable independent institutions. The committee firmly believes that with good governance, strong corporate culture and values, we will drive our Company forward successfully and sustainably.



**Vachara Tuntariyanond**

**Chairman of the Corporate Governance Committee**

# Corporate Governance: It matters at Big C

The Company places importance on good corporate governance to ensure that business practices are ethical, responsible, transparent, auditable, respect the equitable treatment of shareholders, responsible for all stakeholders, and at the same time support missions that will lead to achieving the Company's vision. The Board of Directors reviews the corporate governance principles on a yearly basis. The corporate governance principles and the Code of Conduct approved in 2015 are in line with both OECD (Organization for Economic Cooperation and Development) and CG Principles of SET. Details of our corporate governance principles and Code of Conduct are available on the Company's website ([www.bigc.co.th](http://www.bigc.co.th) > investor relations).

## **Corporate Governance of its Subsidiaries and Affiliates:**

Subsidiaries use same policy and governing as Big C.

For affiliates, we send representatives on the basis of pro rata of shareholding as board members of the affiliated company who can jointly make key decisions.

## **Summary of Corporate Governance under the CG**

**Best Practice is following:**

### **Category I: Shareholders' Rights**

The following principles are set to protect and facilitate the exercise of shareholders' rights

#### **A) Big C protects basic shareholders' rights as follows:**

1. Right to secure ownership registration
2. Right to convey or transfer shares
3. Right to share the profits of the corporation
4. Right to obtain relevant and material information on the corporation on a timely and regular basis
5. Right to participate and vote in general shareholders' meetings
6. Right to elect and remove members of the board

#### **B) Big C Shareholders have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as:**

1. Amendments to the statutes, or articles of association or similar governing documents of the company
2. The authorization of additional shares
3. Extraordinary transactions, including the transfer of all or substantially all assets, which in effect result in the sale of the Company.

#### **C) Big C Shareholders have the opportunity to participate effectively and vote in general shareholder meetings and are informed of the rules, including voting procedures that govern general shareholders' meetings:**

1. Big C Shareholders are provided with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.
2. Big C Shareholders can ask the Board questions, including those related to the annual external audit, to add more items onto the agenda of general meetings, and to propose amendments to Articles on Association of the Company.
3. Big C supports effective shareholder participation in making key corporate governance decisions, such as the nomination and election of board members. Shareholders are able to make their views on the remuneration policy known to board members. The subject of equity in compensations for board members shall be subject to shareholders' approval.
4. Big C Shareholders shall be treated equally and given equal opportunities to vote either in person or by proxy.

#### **D) Any shareholders' agreement that enables certain shareholders to obtain a degree of control disproportionate to their equity ownership will be disclosed in the Annual Report.**

#### **E) Markets for corporate control should be allowed to function in an efficient and transparent manner.**

1. The rules and procedures governing the acquisition of corporate control in the capital markets,



and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur with transparency and under fair conditions that protect the rights of all shareholders according to their share classification.

2. Anti-takeover devices should not be used to shield management and the board from accountability.

**F) Big C shall facilitate the exercise of ownership rights by all shareholders.**

**G) Big C shall not cause any obstacle for shareholders** to consult with each other on issues concerning their basic rights as shareholders.

**Examples of our implementation of the principles outlined above:**

1. **The Company has appointed TSD** as the Company's share registrar
2. **The Company proposed dividend** on a regular basis and in line with the dividend payment policy
3. **The Company provided sufficient information** on a timely basis. Shareholders can access the Company's information through the Company's investor relations website. The Company gathered beneficial information for shareholders and investors and updated them on a regular basis.
4. **The Company provided shareholders with a clear AGM agenda** in accordance with the law and in line with best practice guidelines in keeping agendas for directors' appointments and remunerations separated.
5. **The Company promoted shareholders' right** to participate in the AGM as follows:

AGM 2015		Shareholders' privileges in relation to the meeting
Shareholders were given opportunities to propose an agenda, nominate directors or ask questions prior to the meeting.	30 September to 31 December 2014	More than 3 months
Date and venue of the meeting	Wednesday, 8 April 2015, at Arnoma Hotel Bangkok	<ul style="list-style-type: none"> <li>• Easy to access, with many modes of public transportation (by bus or BTS etc.);</li> <li>• Used recorded dates to identify shareholders who could attend the meeting.</li> </ul>
Registration starts	11 a.m.	<ul style="list-style-type: none"> <li>• 3 hours before the meeting commenced</li> </ul>
Meeting started	2 p.m.	<ul style="list-style-type: none"> <li>• Used barcode for e-registration and e-voting;</li> <li>• Dispatched staff to check and facilitate registration documents;</li> <li>• Institutional investors could register early.</li> </ul>
Published details about the meeting on the company's website under "investor relations"	6 March 2015	<ul style="list-style-type: none"> <li>• 33 Days prior to the meeting</li> </ul>
Sent meeting details by post	18 March 2015	<ul style="list-style-type: none"> <li>• 21 Days prior to the meeting, available both in Thai and English;</li> <li>• Clear agenda, such as separation between directors' election and directors' remunerations;</li> <li>• Each agenda has clear purposes, e.g., for information or for consideration. The Board's opinion is also clearly presented;</li> <li>• Documentation required at the meeting, meeting regulations and voting requirement are specified;</li> <li>• All types of proxy are included in the announcement of the meeting</li> </ul>
Advertisement in newspapers	1-3 April 2015	3 consecutive days prior to the meeting
Submitted shareholders' resolutions to SET	8 April 2015	Same day of the meeting
Published minutes of the meeting on the Company's website, under "investor relations"	22 April 2015	Within 14 days after the meeting

## 6. Transparency and governance of the AGM proceedings

- (1) Before the meeting started, the Chairman of the Meeting assigned a person to introduce the Board, executives, external auditor, legal advisor who supervised the vote counting process and provided explanation (if any) to the meeting. Shareholders at the AGM were briefed on meeting regulations which include voting procedure, void ballot criteria, ballot collection, vote counting and announcement and required votes for each agenda according to the Company's Articles of Association.
- (2) During the meeting, shareholders could share opinion or make inquiries on each agenda. An Interpreter (from Thai to English) was hired for foreign shareholders. Key questions and responses were recorded in the minutes of meeting.
- (3) All decisions were based on one share - one vote principle. Ballots were used for every agenda under consideration. Particularly the election of directors, voting was proceeded on an individual basis. The Company could not use cumulative

voting, as it is obliged to comply with the Company's Articles of Association. Ballots for all votes were collected for the election of directors (for, against, and abstention).

- (4) Shareholders considered remunerations for the Board and subcommittees. The subcommittees included the Audit Committee and the Corporate Governance Committee.
- (5) No surprising agenda. At each AGM, the board does not add any new agenda for consideration other than that identified in the Invitation Letter.
- (6) There were no obstacles for shareholders to exchange information regarding their fundamental rights.

**As a result of our continuous improvement on meeting arrangements**, in 2015, Big C received **5TIA score (excellent level)** from the Thai Investors Association.

The shareholders should be informed of the following activities regarding AGM 2016:

Date	Activity
9 February 2016	Publicized information about AGM 2016 and annual dividend for the year 2015 via SET online
4 - 7 April 2016	XM, XD (Exclude Meeting, Exclude Dividend)
7 April 2016	Record Date for attending AGM 2016 and for annual dividend *
8 April 2016	Closing Date of the Share Register Book for gathering the Shareholders' names *
28 April 2016	AGM 2016 (2 p.m.)
23 May 2016	Dividend Payment

**Remark** \* The dividend is subject to approval from the AGM 2016.

## Category II: The Equitable Treatment of Shareholders

Following principles are set with the objective to ensure the equitable treatment of all shareholders, including minority and foreign shareholders:

### A) All Big C in the same class of shares will be treated equally.

1. Each ordinary share carries 1 vote and receives dividend in the same ratio.
2. Votes may be cast by custodians or nominees in a manner agreed upon with the owner of the shares.
3. Processes and procedures for general Big C shareholder meetings should be conducted with equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes and there should be no cross border voting.

### B) Big C has a policy against insider trading and abusive self-dealing. Breach of such policy shall be subject to serious consequences management or termination of employment

### C) Big C requires the board and executives to disclose their conflict of interest, whether direct or indirect, in accordance with the announcement made by the Board of Directors regarding Guidelines on Report of Director's and Executive's Interest.

### Examples of our implementation of the principles outlined above:

1. **All shares are equal.** All shares of Big C carry the same rights, one share one vote. We contacted institutions acting as custodians for shareholders to encourage Big C's shareholders to exercise their rights without setting a voting procedure that would be inconvenient or incur unnecessary expenses to them.
2. **Limit financial assistance to related parties.** The Company only provided shareholders' loans to subsidiaries and affiliates on pro-rata of its shareholding, under review and approval of the Audit Committee and the Board of Directors. Financial assistance focuses on Big C's businesses or investments. The Company made complete disclosure and did not provide other financial assistances.

3. **Multiple Communication Channels.** Shareholders have equal access to many communication channels, e.g., via the Company's website, or SET Disclosure.

### 4. Ensuring Equal Treatment of Shareholders in key areas as follows:

1. **Related Party Transactions (RPT).** RPT may allow special benefits to related parties, if it was considered unfair or if legal requirements are not followed. The Company has a guideline to ensure that RPT which has influence over Management's decision is justified and in accordance with laws.

#### Internal Control and Procedure for RPT

**Approval requirement.** RPT shall follow legal or SET requirements regarding the review of the Audit Committee and approval of the Board or Shareholders (as required).

**Monitoring Process.** The external auditor reported RPT to the Audit Committee on a quarterly basis, allowing the Audit Committee an opportunity to monitor whether entering into RPT was fair and in accordance with appropriate pricing policy, comparable to transaction with other parties, without transferring benefit to the related parties. The Audit Committee shall further present its conclusion to the Board of Directors.

**Limit for Management's Decision.** Certain categories of RPTs are under Management's decision, if requirements on type of transaction are met (normal business or supporting normal business), i.e. aligning general trade terms and conditions with similar conditions made with any third party under the same status (arm's length basis) without influence of related parties, in accordance with principles approved by the Board of Directors. The Board reviews such principle on a yearly basis, and sets an aggregated amount for Management. If the amount is no longer appropriate, the Management has to advise the Board to consider the transaction or reconsider the amount on a case by case basis. The Board of Directors is held responsible for the review of this framework in order to ensure good governance.

**Ensure complete disclosure.** The Company fully disclosed transactions with related parties in accordance with SET regulations and best IOD's practices (Summary of Related Parties' Transactions is under the section "General and Other Important Information").

## 2. Insider Trading

### Internal Control and Procedure to Prevent Insider Trading

- The Company set guideline for use of social media in order to raise awareness of the importance of protecting confidential information.
- The Code of Conduct guidelines include the prohibition of the use of internal information for personal gain. Each Executive's employment contains the obligation to keep data confidential. Yearly signing of the same obligation is conducted. Employees are aware that a breach of such obligations may lead to disciplinary actions or termination of employment (for the case of severe act).
- Blackout periods were notified to Directors, Executives and relevant employees to suspend the trade of Company's share during a period of 1 month before the financial statements are disclosed.
- The Board of Directors and Executives added an advance reporting responsibility for the case of acquisition and disposal of the company's shares (at least 1 day in advance).
- The Board of Directors and Executives were required to report any changes of the Company's stock trading to the Security Exchange Commission in compliance with Section 59 of the Stock Exchange of Thailand Act (No.3) B.E. 2535 within 3 business days from the date of purchase, sale, transfer, or receipt to the Company Secretary. The Company Secretary shall prepare a summary report for the Board meeting as a standing agenda.

## Category III: Role of Stakeholders

The following principles are set to ensure that Big C recognizes stakeholders' rights established by law or through mutual agreements. We deem stakeholders as a key driving force for wealth, jobs, and sustainability for Big C.

- A) Big C shall identify and respect stakeholders' rights.**
- B) Big C shall develop performance-enhancing mechanisms through employee engagement.**
- C) Big C shall identify channels for stakeholders to access relevant, sufficient and reliable information to increase their participation in the corporate governance process.**
- D) Stakeholders, including individual employees and their representative bodies, can freely communicate their concerns about illegal or unethical practices to the Company and their rights will not be compromised for this.**
- E) The corporate governance framework aligns with process regarding insolvency and enforcement of creditors' rights.**

### Examples of our implementation of the principles outlined above:

The Company identified stakeholders according to its corporate governance and took the following steps.

- **Employees:** The Company treated employees in a fair and just manner and provided appropriate compensation similar to other industries in accordance with employees' knowledge, performance, skills, and nature of work, with fair and appropriate welfare, such as provident fund, medical allowance and annual health checkup. The Company continuously promotes people's development and respects human rights, especially in relation to the conditions of employment and policies on employees' occupational health and safety. (More information is available in Management Structure section titled "Employee Benefits" in the CSR Report.)
- **Business partners:** The Company has transparent procedures for bidding, negotiating and selecting suppliers, vendors, and service providers. The Company treats all business partners fairly and equally. Bidding of key items will be considered by a cross-functional committee.

- **Creditors:** The Company strictly adhered to fair treatment of creditors, in a responsible and transparent manner, especially regarding collateral, capital management and repayment. The Company will not hide information or facts which will cause damages to creditors. In the case that the Company cannot fulfill contractual obligation, the Company will notify and consult with creditors in order to jointly seek remedies.
- **Customers:** The Company cares and is responsible for its customers. We serve customers with good quality products and services. The Call Center receives complaints from customers and communicates with related functions in order to find resolutions. In addition, customers' safety is one of our priorities.
- **Competitors:** The Company conducted its operations within the appropriate framework for fair competition among competitors, and did not utilize any unfair tactics against them. The Company adhered to the principles that support free and fair trade.
- **Community:** The Company has implemented its CSR policy and acts as a role model in participating, supporting and facilitating sustainable development, including social and environmental development. We effectively and efficiently use natural resources or equipment by taking into account the environmental impact and energy conservation. We have also organized activities to develop society and environment in various forms and raised awareness of corporate social responsibility by effectively communicating with employees through proper channels.  
(More information is available in the CSR Report.)
- **Society and Governmental Agencies:** The Company maintains good relationships with governmental agencies and provides them with appropriate collaboration. The Company doesn't infringe upon intellectual property rights. We conducted fraud risk assessment and reviewed fraud risk management policy and procedure, and provided channels for making complaints. We reviewed our investigation procedure and protection of confidentiality and made improvement thereof. The Board and employees were informed of these campaigns through various activities in order to create joint collaboration in anti-fraud endeavor.

In addition, the Company promotes good corporate governance through the following implementations:

- **No infringement of Intellectual Properties Rights.**  
As commitment no. 5, in the revised Code of Conduct, all personnel are required to sign the acknowledgement of responsibility for safeguarding and preserving Big C's assets and not disclosing confidential information nor using insider information for personal gain, to protect the owner of intellectual properties. For example, the Company uses only authorized computer software. All computer applications have to be approved and installed by Management of Information System (MIS) personnel.
- **Anticorruption.** The Company conducted the fraud risk assessment under the good corporate governance framework. (More information is available in the Risk Management section in the CSR Report under the title "Corporate Governance".)
- **Contact Channels for All Stakeholders.** The Company provides channels to lodge complaints on management issues, fraud or misconduct. Investigation and appropriate process of reporting to the Management, the Audit Committee and the Board of Directors are in place. During the investigation process, confidential information and whistleblowers' identities are protected. (More information is available in the CSR Report.)
- **Material Dispute with Stakeholders.** In 2015, the Company did not have any material dispute with any stakeholders.  
(More information is available in the CSR Report.)



## Category IV: Disclosure and Transparency

The following principles are set to ensure that timely and accurate disclosure is made on all matters regarding the corporation, including the financial situation, performance, ownership, and governance of the Company.

**A) Disclosure of Big C shall include, but not be limited to, information about:**

1. The financial and operating results of the company
2. Company objectives
3. Major share ownership and voting rights
4. Remuneration policy for members of the board and key executives, and information about board members, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board
5. Related parties' transactions
6. Foreseeable risk factors
7. Issues regarding employees and other stakeholders
8. Governance structures and policies, in particular, the content of any corporate governance, code or policy and the process by which it is implemented.

**B) Information about Big C is prepared and disclosed in accordance with accounting, financial, and non-financial disclosure standards.**

**C) An annual audit is conducted by an independent and qualified auditor to provide an objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all aspects.**

**D) Big C ensures that external auditors are accountable to the shareholders and owe a duty to the Company to exercise due professional care in the conduct of the audit.**

**E) Big C shall have channels for disseminating information that provides users with equal, timely and cost efficient access to relevant information.**

**F) Big C shall have a guideline that addresses and promotes the provision of advice by analysts, brokers, rating agencies and other relevant parties to investors, by providing their contact details on the Company's investor relations website. This allows investors to easily establish their direct contacts with**

relevant parties. Big C, however, does not provide investors with individual analysts' reports in order to avoid appearing to be endorsing their opinions.

**Examples of our implementation or the principles outlined above:**

In implementing the above principles, the Company places importance on accurate, complete and timely disclosure of both financial and non-financial data, such as the Company's profile, financial statements, operations updates, shareholding, corporate governance, and corporate social responsibility updates, etc. This is in line with the principle of good corporate governance. The Company provided stakeholders with many convenient channels for disclosure.

**1. Disclosure Channels include:**

- (1) The Stock Exchange of Thailand's website ([www.set.or.th](http://www.set.or.th))
- (2) The Company's website ([www.bigc.co.th](http://www.bigc.co.th)), which is available both in Thai and English. Information therein has been regularly updated.
- (3) Annual Report (Form 56-2)
- (4) Annual Registration Statement (Form 56-1), with complete information per disclosure requirement. The Company prepared Form 56-1 for the year 2015 both in Thai and English.

**2. Audit of Financial Statements.** The Company hires independent and qualified external auditors, who conduct their audit work with diligence and care, especially regarding the responsibility for shareholders. They met the Management on important issues in order to ensure that information available to them is corresponding to both the actual practice and the Management's understanding. For example, they have joined hands with the Management to look into possible fraud incidents. This is to assure the Board of Directors and shareholders that the Company's financial statements present accurate financial status of the Company on all aspects. (More information is available in the Report prepared by the Audit Committee for the Shareholders.)

**3. Relationship with Investors**

The Company has set up a department dedicated to investor relations, which is tasked with facilitating, coordinating and disclosing information to investors. This includes presenting operational results and holding analysts' meetings, hosting company visits, and meeting investors both in Thailand and abroad. The Company also provides financial information and other useful information on the Company's website ([www.bigc.co.th](http://www.bigc.co.th)), under the investor relations page, which is an effective and free

means to access information. Interested persons can subscribe to the email news function that alerts subscribers when Big C has made SET Disclosures, via the Company's website at [www.bigc.co.th](http://www.bigc.co.th) > investor relations > information request > email news service.

**Corporate Governance of Investor Relations:** Our practice of Investor Relations adopted IR – Code of Conduct of the Stock Exchange of Thailand as its principle, to ensure that shareholders are treated equally and prevent insider trading.

Shareholders or interested persons can contact the Company through following channels:

Contact Person for General Stakeholders	<b>Ms. Rumpa Kumhomreun,</b> VP – Accounting and Finance Telephone : 02 655 0666, extension 4062 Email : <a href="mailto:kurumpa@bigc.co.th">kurumpa@bigc.co.th</a>
Contact person for Investors	<b>Mr. Rami Piirainen,</b> CFA, Director of Investor Relations Telephone : 02 655 0666, extension 7416 Email : <a href="mailto:pirami@bigc.co.th">pirami@bigc.co.th</a>
Contact Person for the Media	<b>Ms. Warunee Kitjaroenpoonsin,</b> Director of Corporate Affairs Telephone : 02 655 0666, extension 7437 Email : <a href="mailto:kiwarunee@bigc.co.th">kiwarunee@bigc.co.th</a>
Customer Call Center	<b>Telephone 1756</b> Our Call Center also provides effective service in terms of responding to any inquiries or complaints from customers, suppliers, employees, and any interested persons. The complaint reporting process is monitored by the Management on a regular basis, in order to ensure ethical conduct and customer satisfaction.

### Category of Information for Stakeholders

**Periodic Report:** For example, Quarterly Financial Results and MD&A have been disclosed on the SET website instantaneously.

**Non Periodic Report:** We follow disclosure guidelines and ensure that our shareholders and members of the public have received equal access to information. In 2015, we reported 13 items of non-periodic reports on the SET website.

**Presentation to Investors:** The Company holds quarterly presentations for investors to give them an opportunity to learn more about the Company's business and ask related questions. In these presentations joined by high-ranking Company Executives, the Company announces its quarterly performance

and operational developments. The presentation slides are uploaded onto Company's website.

**Shareholders' Meeting:** Every year, an Annual General Meeting of Shareholders is organized to give shareholders an opportunity to obtain relevant information, offer opinions, ask questions, and vote on important matters. We encouraged the shareholders to share their opinion in accordance with good corporate governance principles.

**Company Visits:** The Company offers an opportunity for institutional investors and analysts to request a meeting with the Company's Management to learn about the Company, its performance, and trends. In 2015, we hosted 86 visits by investors and analysts.

**International Road Shows and Conferences:** The Company conducts road shows and participates in conferences held overseas to meet with foreign institutional investors who are interested to learn more about the Company. In 2015, the Company conducted 5 road shows in Hong Kong, Singapore and Paris. The Company also participated in 2 conferences held in London and New York.

**Local Road Shows and Conferences:** The Company chooses to attend a number of conferences to meet with institutional investors one-on-one or in small group meetings. In 2015, the Company attended 3 conferences held in Bangkok.

**Conference Calls:** The Company makes conference calls with foreign institutional investors and analysts to give them a chance to learn more about the Company and its business. In 2015, we conducted 20 conference calls with institutional investors and analysts.

### Summary of Information Disclosure through Various Channels in 2015

Channel	Volume (Times)
<b>Direct</b>	
• Presentations to Investors	4
• Company Visits	86
• Road Shows and Conferences	7
• Conference Calls	20
• Shareholders' Meeting	1
<b>Indirect</b>	
• Company's website <a href="http://www.bigc.co.th">www.bigc.co.th</a>	57
• SET website	25

**Measuring Investor Relation:** The Company sets certain KPI targets to measure investor relations activities during the year. These targets include reaching out to international institutional investors through international road shows as well as local investors through local conferences, improving corporate access by actively staying in touch with analysts covering the Company and facilitating meetings between Senior Executives and investors or analysts when possible. In 2015, we met and exceeded all these targets as we executed our road shows, attended three local conferences, and increased the number of meetings in which our Senior Executives, including the CEO, participated.

## Category V: The Board of Directors' Responsibilities

The following principles are set to ensure that the Board effectively carries out its task of overseeing the Company's strategic guidance and the Management's conducts, and that the Board is accountable for the Company and its shareholders.

- A) Big C's Board Members shall act on a fully informed basis,** in good faith, with due diligence and care, and in the best interest of the company and its shareholders.
- B) Big C's Board Members shall treat all shareholders fairly.**
- C) Big C's Board Members shall apply high ethical standards,** with the interests of the stakeholders being prioritized.
- D) Big C's Board Members supervises the Management in fulfilling certain key functions,** including:
  - 1. Reviewing and guiding corporate strategies, major action plans the risk policy, annual budgets and business plans; setting performance objectives; monitoring corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.
  - 2. Monitoring the effectiveness of the Company's governance practices and making changes if necessary.
  - 3. Selecting, compensating, monitoring and, when necessary, replacing key Executives and overseeing succession planning.
  - 4. Aligning key Executives' remuneration with the longer term interests of the company and its shareholders.
  - 5. Ensuring a formal and transparent board nomination and election process.

- 6. Monitoring and managing potential conflicts of interest of the Management, Board Members and Shareholders, including the misuse of corporate assets and irregularities in related parties' transactions.
- 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, the systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- 8. Overseeing the process of disclosure and communications.

### **E) Big C's Board of Directors is able to exercise objective independent judgment on corporate affairs.**

- 1. The Board should consider assigning tasks where there is a potential conflict of interests to a sufficient number of non-executive board members capable of exercising independent judgment. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related parties' transactions, nomination of board members and board remunerations.
- 2. When committees of the board are established, their mandates, composition and working procedures should be well defined and disclosed by the Board.
- 3. Board Members should be able to commit themselves to their responsibilities.

### **F) Big C's Board of Directors has access to accurate, relevant and up to date information.**

**Examples of our implementation of the principles outlined above:**

- 1. **Principles for a Director's Performance:** Directors perform their duties based upon the following principles:
  - Principles of good faith, due care, and for the best interest of the Company and its shareholders, through careful review of agenda and proposal that the Company distributes 7 days prior to the meeting.
  - Principle of fair and equitable treatment of shareholders
  - Principle of good governance, taking into consideration of stakeholders' interest, as appears on the policy statement on the Company's Corporate Governance which we use as a guideline.
  - No member of the Board or Executive was an employee or partner of the Company's audit firm.

## 2. Structure of the Board

Apart from the Board of Directors and the Executive Committee, the Board has established 4 subcommittees, i.e., the Audit Committee, the Corporate Governance Committee, the Risk Management Committee, and the Corporate Social Responsibilities Committee. (Details are available in the “Management Structure” section.) Subcommittees prepared performance reports according to their Charters, which clearly identify the assigned responsibilities. The Board will discuss upon comments or recommendations proposed by the subcommittees.

## 3. Nomination of Directors and Top Management

### Nomination of Directors

The Corporate Governance Committee, acting in accordance with its Charter, shall make recommendations on criteria and qualifications of directors and a preliminary review of the candidates nominated for directorship.

### Source of Information

The Company provides an opportunity to directors, the Management or consultant to propose any qualified persons, in addition to a search from the SEC’s Director Pool database, and from the list of experts in various professions.

In addition, the Company provides them with an opportunity to propose candidates for a period of 3 months (September to December) before it holds the Board meeting to consider qualifications of the candidates and then proposes the list to the shareholders for their consideration and votes for the Company’s directors. In 2015, there was no candidate from the minority shareholders.

### Procedure for Selecting Candidates

The Company focuses on the diversity of our human resources, such as the diversity in their professions, expertise and genders, aiming at holistic balance of the Board’s structure and effectiveness of the Board’s performance.

As part of the nomination process, the Company prepared a skill matrix of the Board and subcommittees for their identification of the necessary skills that are currently missing. All of the 15 board members specialize in various areas, such as accounting, finance, law, corporate governance, supply chain, online business and so on. It should be noted that there are 7 non-executive directors, both male and female, who have expertise in retail business and real estate which are the core businesses of the Company.

## Procedure for the Appointment of Directors

### Routine re-election of the same director as part of the rotation.

Re-elections take place at annual general shareholders meetings, i.e.

1. One share equals one vote.
2. Casting votes for one nomination at a time
3. The appointment of each director requires the majority votes of shareholders who attend the meeting and cast their votes.

### Appointment of a new director for an interim position

The Board will consider and appoint a qualified person who does not have untrustworthy characteristics in accordance with the SEC regulations at the next board meeting, unless the interim position is valid for less than 2 months. The replacing director shall take the remaining term of the replaced director. In this regard, the appointment of interim directors shall be made by no less than three quarters of the remaining directors.

### Nomination of Top Management

A candidate shall be qualified and suitable for the Company, taking into account his/her knowledge, competence, expertise and experiences that are beneficial to the Company’s operations, including a good understanding of the Company’s business with characteristics specified by the SEC and SET regulations.

4. **Arranging a board meeting without Executive Directors** (Non-Executive Directors meeting) to discuss key management issues.
5. **Overseeing business performance on a regular basis**
6. **Written Policy and Principles of Corporate Governance, Code of Conduct, with an annual review**

### On the Corporate Governance Policy Statement:

As a leading Retail Operator in Thailand, our good governance approach shall encompass the following elements:

- accountability
- transparency
- responsibility
- equality
- community support
- ethics

**Principles of Corporate Governance:** The Board of Directors has approved the principles in 5 categories in line with the international practice, as shown in each category outlined below.

## Code of Conduct:

On 12 February 2015, the Board of Directors approved the review of the Code of Conduct and approved 11 commitments as the new Code of Conduct as follows:

Commitment No. 1: Integrity and Transparency	Commitment No. 7: Prevention of Insider Trading
Commitment No. 2: Compliance with Relevant Laws and Regulations	Commitment No. 8: Fair Competition
Commitment No. 3: Anti-Fraud and Anti-Corruption	Commitment No. 9: Political Neutrality
Commitment No. 4: Conflict of Interest Management	Commitment No. 10: Being a responsible Company (CSR)
Commitment No. 5: Preservation of Big C's Assets	Commitment No. 11: Media or Public Disclosure
Commitment No. 6: Personal and Business Information Protection	

All board members, executives and associates signed the pledge as a commitment to adhere to the Code of Conduct. A breach of the Code of Conduct may lead to a disciplinary action, from giving notices to the termination of employment (in case of severe acts).

The company puts a continuous effort in raising awareness among all stakeholders of the importance of good corporate governance, so we can create and maintain our good corporate culture and value. Awareness activities in 2015 include:

- Communication of the Code of Conduct Guidebook throughout the company: The Guidebook includes practical Dos and Don'ts.
- Every associate was trained on the Code of Conduct, either face-to-face or via e-learning program on the Big C Academy's online platform. The assessment includes the awareness of fraud and corruption.
- Other communication channels include posters, desktop wallpapers, newsletters, etc.

**7. Setting Vision, Mission and Objectives:** The review will be on a yearly basis. The Board's latest review on vision, mission, priorities, core values and CSR policy was conducted on 9 February 2016.

(Details are under the topic "Vision and Mission".)

## 8. Report on Conflict of Interest:

- The first report should be made within 15 days from the date of appointment as Director or Executive
- The report on data change should be made within 30 days from the date of the change.
- Submit an annual report on a yearly basis; even in the case of no data change.
- Directors and Executives' report on conflict of interest is a standing agenda of the Board Meeting. Conflict of Interest includes holding of the Company's shares and other conflicts due to the interest derived from one's family member's business relations with the Company
- At the Board Meeting, a director with conflict of interest shall report to the Chairman of the Meeting and preclude him/herself from attending and voting for the agenda he/she has a conflict of interest.
- The Company requires all business partners to declare their conflict of interest regarding their relationship with the Company, Directors or Executives of the Company

**9. Establishment of Internal Control System:** to ensure that the Company's operations are in compliance with laws and regulations, with effective monitoring system A timely warning should be provided in case of noncompliance, and at the same time operational flexibility should be retained. The Board assigned the Audit Committee to assess the effectiveness and efficiency of the internal control system and report its findings to the Board for further review.



## 10. Establishment of Risk Management Policy and Framework:

as well as regular monitoring of the effectiveness of the Company's risk management. The Board assigned the Risk Management Committee (RMC) with an annual company-wide risk assessment that covers operations, finance, strategy, legal compliance and risk from fraud and corruption. The RMC reports the Board on its monitoring results for further review.

## 11. Limit of directorship in other listed companies:

Each director will limit his/her directorship in other Thai listed companies at the maximum of 3, in order to provide adequate time for the Company.

## 12. Directorship Policy for top management:

The Board allows the top Management to sit in the Board of other companies. This is provided that Big C has investment therein, the directorship is of benefit to the company and the additional directorship does not impair his current responsibilities.

## 13. Development of Director's Capability

### Induction Program for New directors

New directors, either Thai or of foreign nationals, must undergo the Company's orientation program. The orientation package includes minutes of board and shareholders' meeting in the previous year so the new directors will be aware of important decisions made in the previous year, Code of Conduct, Company's organization, business overview, information about each director's legal responsibilities under the SEC Act and Public Companies Act, including specific legal requirements for the Company's business. The package also includes directors' manual published by the SET. Directors can use this document for self-review or reference. In 2015, the company had 2 directors replaced; Mr. Sun Vitthespongse and Miss Suvabha Charoenying. The company conducted an induction program in order to provide information to the new directors who do not have specific knowledge in retail business.

In addition, in 2015, the Company arranged for a company visit, which provides information both about policies and practices. This is to support independent directors who do not have experience in retail business, so that they can have a complete picture of the Company's business.

### Support for the Development of Directors and Executives

The Company encourages directors, Executives, and the Company's secretaries to attend seminars or undergo training in related topics on a regular basis, especially training organized by the IOD. This is to ensure

that related parties understand their roles and responsibilities and can apply their knowledge into practice. All members of the Management passed the DAP Training class Big C /2015.

Director trainings in 2015:

Director	Position	Course
1. Mr.Vachara Tuntariyanond	Independent Director	• CGI class 6/2015
2. Mr. Kijja Pattamasattayasonthi	Independent Director	• CG in Substance: Corporate Culture and Governance Principles
3. Mr. Robert James Cissell	Executive Director	• DAP Class Big C/ 2015
4. Ms. Rumpa Kumhomreun	Executive Director	• DAP Class Big C/ 2015
5. Mr. Stephen Joseph	Executive Director	• DAP Class Big C/ 2015 • Re-Energizing Growth Through Better Governance

## 14. Internal Audit and Compliance Units – Gate Keepers

The Company established an internal audit function, with Miss Nantavadee Suntibunyut as head of Internal Audit, to ensure that the Company complies with regulations and to provide relevant knowledge to employees. The Human Resources Division has a dedicated unit to monitor compliance with working regulations. The Governance, Risk Management and Compliance unit is responsible for the Company and the Board's compliance with the SET/SEC regulations and monitoring corporate risk, with Mrs. Phatchada Muenthong as the head of the unit.

**15. Succession Plan:** The Company has succession plans in place for key positions to ensure continuity of the Business and achievement of the Company's objectives

## 16. Performance evaluation of the Board and Four Subcommittees, i.e., the Audit Committee, the Corporate Governance Committee, the Risk Management Committee and the Corporate Social Responsibilities Committee

conduct self-assessment every year. The evaluation form is based upon the SET's recommended form, which was adjusted to suit the Company's operations and align with their duties under the Charter. The evaluation form covers four areas; (1) structure and composition (2) meetings (3) roles and responsibilities (4) self-development. The objective of the evaluation is to review their performance, and address obstacles. The evaluation results

are reported to the Board. In summary, the Board and all of the subcommittees are satisfied with their performance and each subcommittee effectively performed their duties and contributed to the Company's success and stakeholders' benefits as planned. (More information is in the report provided each subcommittee.)

#### Room for Improvement

The Corporate Governance Committee has reviewed the gap analysis report against the Principles of Good Corporate Governance 2012 for Listed Companies of the SET and the principles used for the survey under the CGR by the Thai Institute of Directors Association, and prepared the CG Road Map 2014-2015 for the Board of Directors' approval.

In 2015, the company has implemented various good governance activities leading to higher CGR scores. Our average scores in the 5 categories have increased to the "Excellent" level, higher than that in 2014 and our target (which is an average score of SET 100 Index).

However, some principles that the Company failed to comply with are as follows:

- 1. Size of the Board:** According to the recommended principle, a board should comprise qualified members with expertise and experiences that are sufficient for effective management. The recommended number of members is between 5-12, depending upon size, type and complexity of the company.

The Company's Board of Directors comprises 15 members. An election of directors is organized following the resolutions of a shareholders' meeting, in accordance with the law, the Company's Article of Association, the SEC requirements, and suitable for the Company's business.

- 2. Training for Directors:** According to the recommended principle, the Company should provide professional training for its directors. The recommended number of directors undergoing the IOD training is no less than 75% of the total board members. Currently, directors who passed the IOD training account for 7 out of 15 or 47%. However, in 2015, the company conducted the DAP class Big C/2015. Three directors attended this class, together with all VPs and relevant functions. This is to promote directors and Executives' awareness of their own responsibilities for the Company.

# Message from the Risk Management Committee



**Robert James Cissell**  
Chairman of  
the Risk Management  
Committee

Dear Shareholder,

The Risk Management Committee (RMC) is a sub-committee selected from representatives of the Executive Committee to lead risk management and mitigation actions. The RMC has been assigned by the Board of Directors to manage risks across the company through the risk management framework and in compliance with the international standard and RMC Charter.

The RMC reports its findings to the Board of Directors on a regular basis to ensure that good governance is being upheld. This, in part, is to ensure that the following effective risk management procedures undertaken in the previous year were maintained in 2015:

- Ensuring that a thorough assessment of business risks and opportunities are included in the long-term strategies, medium-term business plans, annual budgeting, and are aligned with the Company's overall business direction.

- Identifying risk indicators in key risk areas. Based on past results and statistics, information is regularly monitored and analyzed to accurately identify root causes of past incidents to prepare preventative measures and effective solutions.
- Prioritizing of business continuity during crisis situations to ensure that we can consistently and safely serve our customers, and the constant revision of our crisis management guidelines to ensure that they are aligned with the Company's current structure.
- Recording major incidents and statistical data for further risk analysis. This enables us to effectively prepare for certain key risks and respond effectively to recurring crisis situations.

In addition, the RMC would like to report on key developments and achievements in risk management in 2015 as follows:

1. Roles and responsibilities have been clearly defined and assigned, both for the RMC working group and for the supporting functions, to ensure full responsibility for risk mitigation activities. Work processes have been reviewed and standardized to strengthen our internal control. This is proof that the Company's management understands the importance of risk management and is determined to ensure that our risk management activity is aligned with, and supports our business operations.
2. We have signed a declaration of intent with the Private Sector Collective Action Coalition Against Corruption (CAC) in late 2014. Since then, the Company has established the fraud risk management framework and policies, and put them into practice. In addition, the Corporate Ethics Committee (CEC) was formed, along with a whistleblowing channel operated by a third party, to receive complaints and reports on fraud and corruption activities. The Company has thoroughly improved the procedures in receiving complaints, case evaluation, and the following up of cases which raised the standard of the entire process, resulting in more effective risk management.
3. Other risk factors affecting our stakeholders are also taken into account. These include external risks from natural disasters, pandemics, exposure of confidential data, human resources mismanagement, fraud and corruption, all of which have the potential to affect our stakeholders, namely our customers, business partners, employees, and the community as a whole. We aim to raise our stakeholders' awareness of these risks, and reinforce the importance of risk management while nurturing an ethical corporate culture by integrating social responsible risk management as a part of our operations.

4. Apart from identifying risk indicators used to assess risk trends, effective risk management also includes devising a plan to reduce the impact of such risks and close the risk gaps. For example, due to our risk mitigation activities as well as the effective implementation of the plan to reduce the impact of risks, we have seen a decrease in stock loss this year despite the increased number of new store openings. In 2016, we expect to strengthen our data security risk management by implementing an initiative to enhance data classification in order to identify and protect highly sensitive information that can impact the Company's business.

The RMC is pleased to inform you that we have made good progress in many areas of risk management. Most importantly, risk management is now systematically integrated into our business operations, making Big C a sustainable industry leader, both economically and socially.



**Robert James Cissell**

**Chairman of the Risk Management Committee**

# Risk Management and Risk Factor

## Responsibility for Risk Management

The Board and the Executive Committee has joint responsibility in managing the company's risks. The Board delegated risk management to the Risk Management Committee (RMC) while the Board still maintains its oversight role. RMC determines risk framework (i) that covers the whole organization, (ii) that is effective, and (iii) that is aligned with international standard, in order to reassure its creditability from the investors and stakeholders.

## Identification of Risk Factors

This process includes workshops with personnel from various levels. In identification process, we consider many types of risk factors, such as, strategic, operational and external factors. Risk factors are collected from variety of studies, such as, risks related to retail business, risks related to company's stakeholders or to stores, or risks related to important work processes. Board's oversight ensures thorough and adequate identification process for risk factors.

## Risk Assessment

Once a year, all management and people responsible of key processes will hold corporate risk assessment workshop to access corporate risks for the coming year. When risk framework is approved, risk mitigation actions are promptly started. During the year, additional risk factors are considered when appropriate, such as, records from Risk Register or from significant change of risk landscape, which could affect business objective.

Assessment of risk factors is conducted in 2 parameters; impact and occurrence. On the impact, the company considers impacts on economic, operations, safety and reputation. On the occurrence, the company considers likelihood of its occurrence. Both parameters will lead to inherent risk assessment. Then, the company will review existing controls in order to reassess residual risks. Assessment result will be plotted into risk map, prioritized into 3 categories; high, medium and low. Thereafter, delegation is assigned in connection to risk level. For example, when risks are assessed as low or medium levels, delegation is assigned to VP level. High risk level is delegated to Risk Management Committee. Thereafter, the Internal Audit assesses the adequacy of internal control system of the company.

## Risk Management Process

We apply international methodology for risk management. We also set acceptable risk level and tolerance risk level for monitoring purpose.

While we are aware that some incidents are out of our control, the company still sets appropriate risk mitigation plans to reduce potential adverse impacts. Efforts of risk mitigation plan are balanced with its benefits. We also balance the risk mitigation plan efforts with its benefits. We emphasize on having identified responsible person and setting an effective indicator (so called key risk indicator or KRI) for monitoring risk impact or for reviewing effectiveness of the plan. This concept is aligned with international methodology of Plan-Do-Check-Act to ensure continuous improvement.

In addition to risk management for corporate risks, the company also implements risk management for business units and stores. Applicable Vice President or a store manager is responsible for business unit or store risk mitigation plan.



## Risk Factors in high level category

### Risk from Stock Loss

#### What could be the impact:

Management for retail business may involve stock loss from many causes, such as, internal handling or theft. Without good control, stock loss could affect profitable level of the company.

#### What we managed:

We put strict monitoring and performance indicators for relevant functions. Knowledge and skills are trained throughout chain of management. CEO gives direct and close supervision on a regular basis. Relevant functions give full cooperation and make prompt corrective actions. At the end of 2015, the amount of stock loss was substantially reduced, despite of the increasing number of stores.

### Risk from Cyber Risk

#### What could be the impact:

Globally, cyber risk has an upward trend, as we hear cases of cybercrimes more often. Without good control, the risk could impact various database, such as, stock, ordering, purchasing, accounting or reporting.

#### What we managed:

We set KRIs to monitor database security. In addition, in 2015 our overseas business partner provided IT experts to conduct an on-site audit on cyber criminality. This activity provides benefits to the company, as we received analysis report and recommendations on constructive implementation plans in accordance with international standard.

We have implemented various programs under this risk area, such as, review of Information Security Management System, review of Data Recovery Plan for our IT infrastructure, various system security programs, data classification project to scope down list of users with access to sensitive information or to critical database, communication program as a part of the company's main Code of Conduct to increase data protection awareness.

## Risk Factors in medium level category

In 2015, we have 11 risk factors in this category. Herein we will mention only some interesting risk factors to ensure the shareholders that our risk management and monitoring has good continuity.

### Risk from Fraud and Corruption

#### What could be the impact:

Under current Thai legal framework, private sector fraud is beyond the scope of Anticorruption Law. Besides, retail business is very competitive and the company has a clear objective to offer “more than just low prices”. Therefore, risk of collusion with competitor or Government officer to set unfair price is low. In Big C, we support the idea that fraud and corruption should be eliminated from the society. The company joins the campaign of private sector to raise fundamental awareness among its associates and business partners on antifraud. We clearly identify that abuse of position or power for unfair personal benefit is wrong. Therefore during the risk identification process, we considered the impact of fraud and corruption upon our stakeholders, such as, employees, government and society, in addition to the company’s financial impact.

#### What we managed:

Our implementation plans are categorized into 4 dimensions;

- **policy implementation** - we clearly stipulate in our Code of Conduct about antifraud to emphasize our commitment on responsibility as a good member of the company and community. We also established a specific antifraud policy and protocols,
- **communication** - we implemented an antifraud awareness campaign both in a big picture of the Code of Conduct and a specific topic on antifraud. To date, all board members, executives and associates have been communicated and have signed the pledge on the Code of Conduct,
- **whistleblowing channel** - our stakeholders can notify us via 1756 press 8 when they suspect fraud incident,
- **process enhancement** - we established the Corporate Ethics Committee (CEC) and the Fraud Risk Management Team (FRM Team). FRM Team has an objective to make recommendations to strengthen internal controls in regards to fraud prevention, whilst CEC has an oversight role.

### Risk from Business Disruption

#### What could be the impact:

We strive to maintain our ability to serve the customers, especially in crisis situations where physical conditions are difficult, such as, flood or other natural disasters. We therefore focus on business continuity of our stores, distribution centers and head office. This is another risk factor that taking the impact on responsibility for community members, both employees and customers into account.

#### What we managed:

The company maintains the readiness of our alternate sites and crisis management plan where critical functions ensure readiness of their critical teams and processes during crisis situation. Our crisis management support team has a key role in closely monitoring and evaluating the situation, then coordinating between functions and crisis management team. In its decisions, the crisis management team places priority on safety of our customers and associates.

We practiced stimulation exercise in 2013 and practiced relocation of certain critical functions to the alternate site in 2014. In 2015, we reviewed critical process of each function in the business continuity plan to ensure that documentation is up-to-date and aligned with our evolving organization structure. Therefore, we are steady in our business continuity practice.

### Risk from Change of Purchasing Behavior

#### What could be the impact:

External factors that could have an impact on our income include the increase of store formats that become our indirect competitors, impact from economy on customer confidence (economic climate which influences customers’ spending mood in each period), customers sophistication as they can access to various communication channels, and the fast changing shopping channels such as online or mobile shopping.

### **What we managed:**

The company puts efforts in utilizing our marketing data for marketing strategy which emphasize on providing valued products and complete services that meet customers' needs. Close monitoring and routine cross-functional meetings help strengthen alignment throughout the company.

In 2015, we focused on strengthening customer engagement and enhancing the communication of our strength (price leadership). For example, the 5,000 items cheaper than last year campaign focuses on 8 fundamental product categories that are important for customers, the regular discount program on Wednesday for fresh food products. In addition, the company focuses on providing information to customers through channels that are easy for customers to access and understand.

## **Financial Risk Factors**

The following risks factors do not represent a significant impact to the company. However, we mention about them in order to indicate how we exercises controls.

### **Credit Risk**

#### **What could be the impact:**

End of 2015, the company has long-term loan in the amount of 11,975 million baht, which is in a low level when compared with shareholders' interest. Therefore, risk level in this area is low.

#### **What we managed:**

The company has a good disciplinary in loan repayment. We are able to remain an appropriate level of outstanding loan, i.e., total loan repayment in 2015 was 12,675 million baht.

### **Interest Rate Risk**

#### **What could be the impact:**

Loan from financial institution may lead to interest rate risk when interest rate fluctuates. However the interest rate in 2015 did not fluctuate much and was within the budget. Therefore, risk level in this area is low.

#### **What we managed:**

The Company closely monitors trend of interest rate in the market. When the market conditions are justified; the company may consider purchasing the interest hedge as it deems fit.

### **Exchange Rate or Foreign Currency Risk**

#### **What could be the impact:**

Inbound activity that relates to exchange rate risk is import activity, which represents only 0.6% of total sales. Outbound activity includes remittance of foreign currency, which is not often. Therefore, risk level in this area is low.

#### **What we managed:**

The Company closely monitors trend of exchange rate. When we remit the big amount of money in foreign currency, we apply spot bidding by financial institutions as deemed fit.

# Message from the Corporate Social Responsibility Committee

Dear Shareholder,

With the determination to fulfill our vision of being the “Marketplace at the Heart of the Community”, Big C has been working alongside public and private organizations, through several joint development initiatives, for over 22 years. As Chairman of the Corporate Social Responsibility (CSR) Committee, I would like to reiterate our commitment of being a “good neighbor” to the communities in which we are located and that we serve. Our objective is not only to become a hub for millions of customers to shop, dine, and unwind, but to also actively participate as a trusted and socially responsible member of the society.

In 2015, Big C elevated CSR as one of the Company’s key priorities and implemented numerous CSR activities. We have realigned our structure and operations by establishing the CSR Committee as a sub-committee reporting to the Board of Directors and we created a CSR working group consisting of Executives from various divisions to achieve targeted goals.

To fulfill our vision, the committee determined the following 5 key CSR commitments:

## “Being a Committed Employer”

Big C continues to focus on developing our employees, while providing job opportunities for all, including people with disabilities.

## “Being a Responsible Retailer”

Big C has a policy against the use of animal testing for Big C’s private label products. We are also using biodegradable plastic bags to package vegetables and fruits at stores.

## “Being an Environmentally Proactive Company”

Big C has been using effective innovations and technologies to reduce our energy consumption and protect the environment.

## “Being a Good Corporate Citizen”

Big C is committed to improving people’s living conditions through our various community development projects. In addition, Big C Thai Foundation, a non-profit organization, works for the betterment of children’s education and well-being.

## “Being a Trusted Partner”

Big C has been purchasing agricultural products directly from local farmers to help raise their incomes and improve their quality of life. In addition, we have also conducted professional and ethical training for suppliers to ensure that they uphold our ethical standards and procedures.

Big C’s CSR programs would not be successful without our “Big C volunteers” in every store nationwide. They are the ones supporting the communities around them through different initiatives and treating them as family. We can proudly say that we are full-heartedly and sustainably engaged in making Big C a true “Marketplace at the Heart of the Community.”



**Robert James Ciscell**

Chairman of the Corporate  
Social Responsibility Committee

# CSR Report 2015

## The continuous progress program

### Reporting Guideline

This CSR report covers the period from 1 January to 31 December 2015, with the objective to present our CSR performance, in alignment with the Sustainable Development Pillars, i.e., economic, social and environment, and in the interest of with our stakeholders. The Company applied Integrated CSR Reporting framework (iCSR) of ThaiPat Institute in preparing this CSR report.

Additional information in relation to policies and related activities is available at [www.bigc.co.th](http://www.bigc.co.th) -> Investor Relations -> Corporate Governance

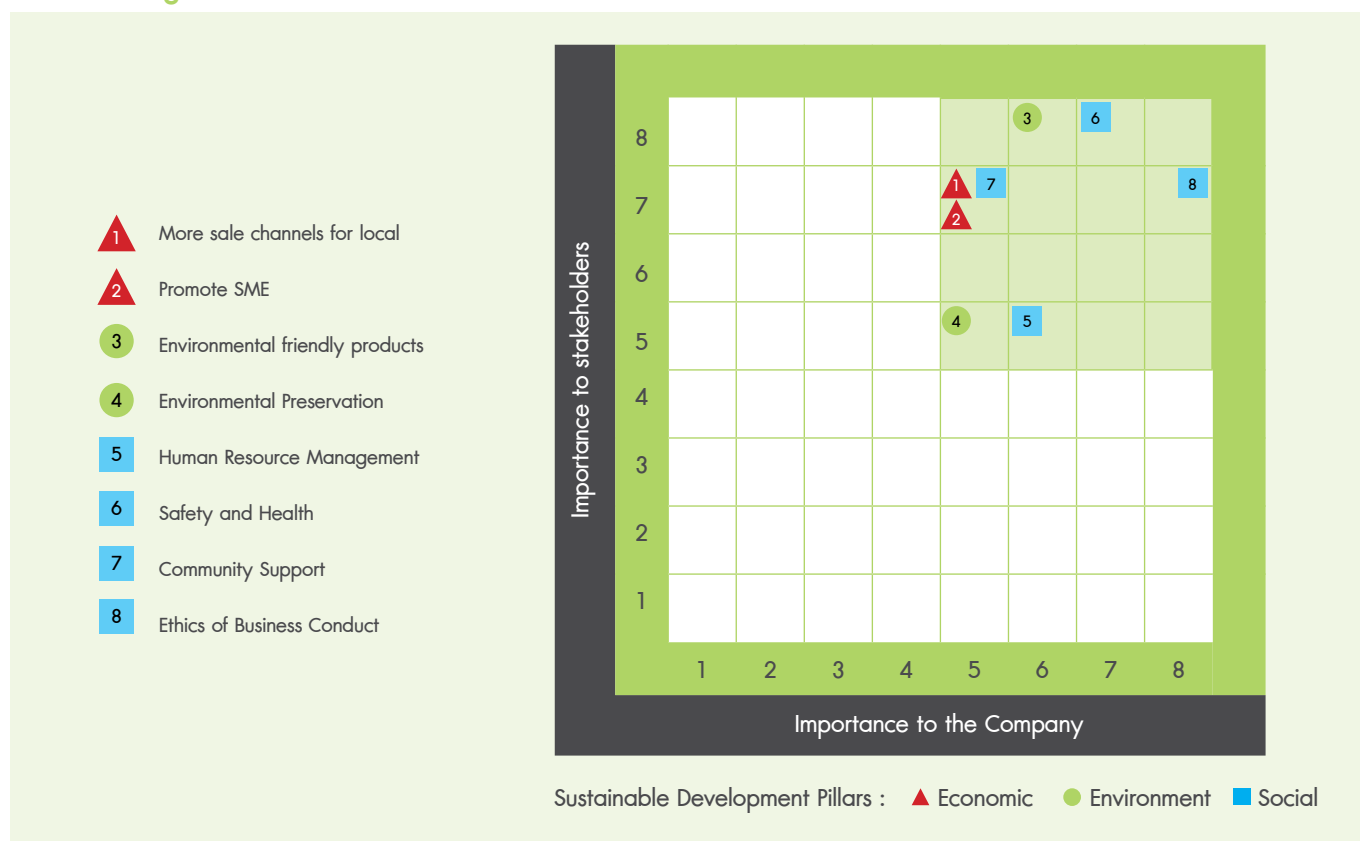
At international level, Big C performance on 5 CSR-focus areas was contributed to the annual Communication on Progress (CoP) Report of Casino Group, a major shareholder who signed the United Nations Global Compact in 2009.

### Issue Assessment and Stakeholders Management

We are committed to run our business with corporate social responsibility framework, and do our best to take care of our stakeholders, both directly and indirectly. We acknowledge the needs of our major stakeholders and plan our activities to respond to these needs.

We have identified 6 types of stakeholders, i.e., shareholders, associates, customers, communities, business partners and creditors and we have gathered information regarding their topics of interest and expectations. Sources of information include information derived from monthly meeting of the CSR Working Team, and from meetings with various stakeholders. We rank the importance of each issue with scale of 1-8 under two perspectives; importance to the company, and importance to the stakeholders (8x8 table). Issue that falls into the scale of 4 and above for both importance to the company and its stakeholders will be planned and subsequently implemented.

Picture below shows where the issues fall into scale. We will report our implementation progress in the following section.





## Relationship between Issue of Interest of Stakeholders and the Company's Report on the continuous progress



## Our Governance in Business Conduct

### Role of the Board

The Board of Directors delegated its authority to the Corporate Social Responsibility ("CSR") Committee to review related policies, activities, budgets and implementation progress, as identified in the Charter of the CSR Committee. (More details in the sections Management Structure and Message from the CSR Committee.)

### Corporate Governance

On 12 February 2015, the Board of Directors approved the review of the corporate governance principles in 5 categories, with the objective to improve standard and to objectively communicate with employees and stakeholders. The Company prepared practical guideline covering the corporate social responsibility area. (More details in the section Corporate Governance.)

### Antifraud and anticorruption

The Board of Directors delegated its authority to the Risk Management Committee (RMC) to review risk management policies, including the antifraud and anticorruption policy for the Company and its subsidiaries at least on a bi-annual basis or when needed, as identified in the Charter of the RMC. The Company signed the Declaration to Join the Coalition against Corruption in late 2014, then issued and implemented the Fraud Risk Management policies. Fraud risk assessment is a part of BU risk assessment. The RMC has responsibility over the antifraud and anticorruption implementation. It established the Corporate Ethics Committee, extended whistleblowing channels and developed practical guidelines; from accepting claims, investigate, monitor and improve process. This knowledge development through functional representatives led to multiplication of best practice

in fraud prevention throughout organization. (More details in the section Risk Management and Risk Factors > fraud risk or in the Company's website [www.bigc.co.th](http://www.bigc.co.th)> Investor Relations > Anti-corruption.

### Whistleblowing channels

- Call Center 1756 press 8
- Email : [tell@bigc.co.th](mailto:tell@bigc.co.th), attention Secretary to the Corporate Ethics Committee
- Post : Director of Governance, Risk Management and Compliance, 6/F., 97/11 Rajdamri Road, Lumpini, Patumwan 10330
- Website [www.bigc.co.th](http://www.bigc.co.th)> Investor Relations > Whistleblowing

### Investigation Process

In 2015, the Company implemented Anticorruption Project. This included the review of internal control environment, such as, guideline and standard, awareness of associates and stakeholders, and process for claim acceptance. Process monitoring was done by Corporate Ethics Committee who also oversees implementation of preventive action, investigation, enforcement, remediation, reporting and disclosure, in order to ensure that claim incidents are collected and analyzed without disclosing names of the accused, yet process is transparent and reports are made to Management or the Audit Committee or the Board of Directors in accordance with the agreed process.

### Confidentiality

The Company protects rights of honest informant by keeping identity of the informant confidential. Our disclosure protocol ensures that no disclosure of fraud related matters is made to nonrelated parties, except in the case of legal requirement.

In a broader context, the Company recognizes the importance of data protection and intellectual properties. Our associates are communicated and have signed the pledge that covers the obligation to protect Company's assets and business information including in respect of intellectual properties, such as, only using authorized computer software verified by our information management function.

### Result of CSR Implementation

In the following section, we identify result of each focus area for our CSR implementation. Our implementation is mainly CSR in-process. Although our community development activities are CSR after-process, we have reviewed that such activities are appropriate and aligned with the stakeholders in each situation or location. There is a process to ensure that our monetary contribution was utilized in accordance with its objective, such as, the contribution to Big C Thai Foundation or project partners.

## Committed employer

**Promote**  
workplace diversity

**Support**  
employees' career  
growth

**Promote**  
health and safety



### Promoting workplace diversity

Our Human Resources policies reinforce our aspiration to become the best place to work.

In 2015, Big C established and maintained good relations with several educational institutes and took part in job fairs to fulfill one of our main goals in providing people with employment opportunities and providing them with long-term careers. We are also committed to recruiting more employees with disabilities and those from diverse backgrounds to join our ranks.

## Providing Career Opportunities for People with Disabilities

Big C continues to support and care for people with disabilities, by ensuring convenience, accessibility, and comfort at our stores. Apart from our objective to increase the number of employees with disabilities, we are also aiming to attract more customers with disabilities and strengthen our position as the only retailer in the country who truly understands their needs.

We have successfully integrated employees with disabilities into our store network. We are proud to be the first and only retailer in Thailand to hire people with disabilities up to 2.2% of the total employee population, which exceeds the legal requirement for the 4<sup>th</sup> consecutive year. There are 6 types of disabilities at Big C; 47.96% of whom are physically disabled, 43.86% of whom have hearing impairment, 5.23% of whom are visually impaired, 0.45% of whom have mental or behavioral disorders, and 0.23% of whom have learning disabilities.

In 2015, Big C won the “Disability Matters” Award for the 4<sup>th</sup> consecutive year, issued by the Department of Empowerment of Persons with Disabilities, Ministry of Social Development and Human Security, on the International Day for Persons with Disabilities.

We have also organized knowledge building programs and initiated career plans for our disabled employees. In April 2015, Big C joined hands with Mahidol University’s Ratchasuda College to organize a workshop titled “How to Live Harmoniously When We Are Different” for the 2<sup>nd</sup> consecutive year, with an aim to create the best working environment for employees with disabilities. We have also developed an e-learning orientation program for staff with hearing impairment which features an instructor communicating in sign language throughout the online course.

## To hire people with disabilities up to 2.2% of the total employee population



## Supporting employees’ career growth

Realizing that our success relies on our employees, Big C has been giving full support to our employees’ professional development by encouraging them to aim high and helping them reach their full potential. We aim to create and maintain a friendly working environment that accommodates and encourages constant learning by providing them with a variety of training programs to improve their work-related skills. As a result, employees would feel valued, respected and enjoy working at Big C.



## Providing Internal Career Opportunities

In 2015, we continued to implement our existing promotion system, which has proven effective in rewarding employees with high performance. We have a large number of high-performing employees amongst our ranks, and we are determined to provide them with growth opportunities so that they can exercise their potential to the fullest.

We have supported our employees’ career growth through promotions based on our structured career paths and training roadmap. This enables our employees to have a clear career path to follow, while adding more value to Big C. Up to 7,248 employees or 28% of all employees, both full-time and part-time, from all departments, were promoted in 2015.

## Investing in a sustainable future

In 2015, we strengthened our talent management program which enabled us to identify outstanding talent at stores. Our talent pool will be groomed and developed to be able to help us fill in critical positions as we continue to expand our store operations.

## Planning Successors

One of the priorities in 2015 was to identify the successors in key positions for all Divisions and prepare them for bigger roles in the future. A total of 69 talented successors in 14 divisions were identified in 2015; 38 of whom are Executives and 31 of whom are at the management level.

## Grooming leaders of the future

To prepare our employees for bigger roles in the future, Big C provides employees at all levels with various learning opportunities, both internally and externally. We have been co-organizing the “Executive Degree in Leadership Program” with Mahidol University International College since 2013.

## Promoting Health and Safety

Health and safety of our employees are our highest priority. Big C has taken preventive measures to ensure a safe working environment for all. Many safety campaigns have been organized to raise awareness amongst employees, including the use of an electronic system to record accidents at each store, so that preventive measures can be rolled out. Following this proactive approach, there were 32% fewer accidents in 2015 compared to 2014, resulting in Big C being awarded “Outstanding Establishment in Terms of Safety” from the Ministry of Labor for the 13<sup>th</sup> consecutive year.

All preventive measures for emergencies and crisis situations at the Head Office and stores are in place to ensure that if such incidents should occur, we can continue to provide services and conduct our business with continuity. We have prepared guidelines for emergencies and crisis situations in the workplace which is in accordance with the workplace safety laws. We have also established a basic firefighting training center, the first of its kind by a retailer, which conducts fire drills and fire safety training for all formats: Hypermarkets, Markets, Mini Big C and Distribution Centers. To reinforce the safety and security at Big C Head Office, we have launched the new “Head Office Workplace Security Policy” to outline security measures leading to a safe and secured workplace for all. We have also installed tripod turnstiles at Big C Head Office to ensure safety of all associates and visitors as well as security of the Company’s assets.

In 2015, the 3<sup>rd</sup> Batch of participants, consisting of 25 store managers, completed this program with very positive results.

To equip Mini Big C managers with leadership skills, we have organized leadership training for Mini Big C store managers, which is becoming more crucial in light of rapid growth of this store format. In 2015, 100 Mini Big C store managers have completed this leadership training. To maintain the standard of Mini Big C stores, 26 store coaches were trained in 2015 to provide guidance to the new store managers and on-the-job training to new staff in their area of responsibility.

### Fostering a Learning Environment

Determined to foster learning environment for all, Big C implemented a training roadmap for Hypermarket staff in 2014, which enabled employees to learn more about the training programs and e-learning courses available to help them achieve their career goals. In 2015, employees also learned more about cross-format career opportunities which opened up myriad growth opportunities between different store formats.

One of the priorities in 2015 was for Big C Academy to continuously improve store staff training. E-learning was further enhanced with new skill-development modules and online assessments being added. In 2015, Big C Academy offered 10 e-learning courses.





## Summary of activities conducted in 2015 as a responsible employer

### Promoting

workplace diversity



### Commitment to promote diversity at the workplace

Communicated diversity policies through internal and external recruitment channels.

### Promoting employment of people with disabilities

- Continued recruitment of people with disabilities.
- Clearly defined policies that support career paths for people with disabilities.
- Developed an e-Learning program for employees with hearing impairment.
- Organized a workshop titled “How to Live Harmoniously When We Are Different” for the 2<sup>nd</sup> consecutive year.
- Provided facilities for disabled employees at work.
- Received an award from the Ministry of Social Development and Human Security for supporting people with disabilities for the 4<sup>th</sup> consecutive year.

### Supporting Workplace Diversity

- Provided equal career opportunities for internal and external applicants.
- Provided internship opportunities to students and youths.
- Continue installations of free-of-charge Thai Telecommunication Relay Service (TTRS) kiosk that provide translations for both employees and customers with hearing impairment.

### Promoting Equality between Male and Female Employees

Continued policies designed to enable more women to reach executive positions.

### Providing Employment Opportunities for Underprivileged People

- Provided employment opportunities for underprivileged people living in the neighborhoods near Big C stores.
- Provided employment opportunities to people who lack educational opportunities.

### Providing Training for Students

- Provided work-related training for students before they start working at Big C. 748 students were trained by Big C in 2015.
- Continued to train students through the DVT Program, providing the retail industry with a new generation of workers.

### Listening to Feedbacks

Big C values every employee’s positive ideas and opinions. Employees can suggest ideas and recommendations to help make the Company more efficient by contacting the Human Resources Division at Stores and Head Office, or contacting Customer Service at 1756.

### Supporting

employees’ career growth

### Performance Evaluation and Support for Career Growth

- Implemented career path roadmap along with managing talents at all hypermarkets.
- Developed Talent Reviews and worked on Talent Development Plan at 120 hypermarkets and 1 Big C Market.
- Successfully reached the target for Talent Retention of 92.5%.
- Developed and implemented succession plans for all key positions for all Divisions at Big C Head Office.
- Successfully implemented career growth plans through internal promotions and career path roadmaps. In 2015, the number of internally promoted employees exceeded the target of 12% at 28% or a total of 7,248 associates.
- Developed orientation programs and leadership programs to ensure alignment with the Company’s core values.





#### Continuing to organize and develop the “Executive Degree in Leadership Program”

- Continued to co-organize the “Executive Degree in Leadership Program” with Mahidol University International College for the 3<sup>rd</sup> consecutive year.
- Developed leadership programs and ensured that employees in leadership positions, across all formats, are appropriately trained.
- Selected qualified employees at management level and trained them to become trainers.
- Determined 15 stores from which associates are to be trained.

#### Developing a customer service training program for employees at all levels

##### Revamping the e-learning system to ensure that the system is updated and easy to use

- Continuously improved the system.
- Developed 30 new e-Learning programs.



#### Creating a Good Workplace Environment

- Revised and re-launched the orientation program for new employees.
- Updated the Success Passport as a holistic development guideline for all new employees.
- Successfully fulfilled the training targets, with each Big C employee being trained for more than 30 hours.
- Developed course syllabuses and an accurate basic work manual.

#### Joining Hands with Educational Institutes

- Joined hands with Mahidol University’s Ratchasuda College (college for people with disabilities) in developing a training program for students with disabilities.
- Learned from universities and educational institutes about ways to support people with disabilities.

#### Promoting health and safety



- Safety and security at Big C Head Office was enhanced by a new Head Office Workplace Security Policy, and the installation of turnstiles on each floor.
- Promote health and safety in the workplace through various Safety campaigns such as a Safety Talk organized at stores.
- Conducted training on basic safety for employees at all levels, with a priority in reducing accidents at work. In 2015, 128 batches or a total of 5,644 employees were trained.
- Organized annual activities, namely Anti-Smoking Campaign, HIV-AIDS Awareness Campaign, Fire/Evacuation Drill and Firefighting Training, Zero-Accident Campaign and Safe Driving Campaign to promote health and workplace safety.
- Enhanced workplace security by outlining a clear policy on the safe use of forklifts and the use of protective tools suitable for each job function.

# Responsible retailer

## Act

in the interest of  
consumers' health

## Encourage

environmentally-friendly  
consumption



Customer safety is important to us. Big C offers products that are consistently good quality and environmentally-friendly. Our working processes include sorting of safe products, auditing manufacturing sites and quality control. We have contamination checks of pesticides and embraced the requirements of Retail Audit Standard (RAS) from Europe to determine hygiene and food safety standards at stores. Our Delica develops recipe for good health of customers. We no longer use monosodium glutamate and reduce the use of sugar, salt and trans-fat. When we have concern about product safety, our effective recall system can suspend the sale of products at point of sale in parallel with the withdrawal system from shelves. Customers can voice their opinion in many channels; therefore we are continuously improving.

Apart from the above initiatives, Big C strives to support consumers in reducing their cost of living by cooperating with governmental authorities, such as the Department of Internal Trade, Ministry of Commerce to help customers to purchase products with affordable and fair price via many government campaigns such as:

- Special Price promotion for reducing people's cost of living
- Blue Flag Food Price campaign in food court
- Back to School campaign for low price of students uniforms
- Cheaper than Last Year campaign, providing lower price of products; up to 5,000 items





## Summary of activities conducted in 2015 as a responsible retailer:

### Act

in the interest of consumers' health



### 1. Product quality control initiatives

- **Select only safe and consistently good quality products** with compliance of weight, volume and labeling requirements, including the procurement of the goods that are certified with national and international standards.
- **Annual factory audit program to ensure audits of new and existing manufacturers.** We are strictly following our audit program and allowing only the manufacturers that passed our audits to produce the goods for us. By doing so, we will send a professional audit company to determine the manufacturer production standards and all manufacturers must comply with our standards prior to begin trading with us.
- **Regularly and consistently monitor our product quality.** We have a yearly plan to check the quality and net content of goods produced by our suppliers to ensure consistent quality products.
- **Provide contamination checks** of pesticides in fruits and vegetables and provide other contaminant checks such as bleaching additives, mold controlling substances, and formalin on a daily basis in our laboratory that is certified by Department of Medical Sciences, Ministry of Public Health. All products found to be unsafe will be rejected.
- **Good Manufacturing Practice standards (GMP).** We have committed to ensure the compliance of GMP by Food and Drug Administrative (FDA) or local health authority under ministry of public health where our stores are located. In addition, we have embraced the requirements of Retail Audit Standard (RAS) from Europe to determine hygiene and food safety standards at stores. The audits are conducted by a team with expertise in hygiene and food safety areas at the frequency of 2 times per store per year.
- **Improve nutrition of our products.** We have a clear policy to develop products that are nutritionally better and are safer for consumption through the reduction, modification, or cancellation of non-health benefit materials such as monosodium glutamate, sugar, salt, or trans-fat. Since last year, we have changed our menus by removing the use of MSG in delicatessen products and we have started to reduce the amount of salt, sugar, and fat in our new products.

## 2. Value the importance of customer complaints.

It is our responsibility to resolve the issues and to improve our services. Customers may ask for information, complain, or feedback on our products through various channels.

- Customer service: Tel. 1756
- Web site: <http://www.bigc.co.th/th/contact/>
- Big C branches
- Facebook: BigCBigService.



## 3. Ready for a recall on unsafe or substandard quality.

We have a modern computer system to suspend the sale of products online. Our cashiers will not be able to scan to sell the suspended products to our customers combining with the effective withdrawal system from shelves.

## 4. Products and services

Procure of products and services. We are fully aware of the importance in supplying products and services to provide customers and communities with hygienic and safe products. The implementation of f-Pads by our QC staff has proven to be very effective in ensuring the updated fresh food specifications and for controlled quality inspection procedures. This ensures the quality and safety of goods that passed the inspection at our distribution center. In addition, the program helps to identify the history of rejected lots shipped by each supplier, so we can help the suppliers to improve their performance.

## Encourage

environmentally-friendly  
consumption



## 1. Raw materials

- Maintaining our non GMP policy
- Maintaining our no animal testing policy
- Maintaining our policy of not selling endangered fish species and sharks
- Support GAP and organic materials

## 2. Sustainable relationship with SMEs

- Providing training sessions on safety in manufacturing the products together with good practice for agriculture of fresh food products
- Providing training sessions for suppliers on microorganism in food
- Conducting 40 hygiene-standard audit for manufacturers of fresh food

# Environmentally - proactive Company

**Increase**  
energy efficiency

**Reduce**  
waste management

**Promote**  
biodiversity

**Reduce**  
greenhouse gas  
emissions



Big C gives continuous focus on environmental preservation via our proactive approaches, which include the increase of energy efficiency, reduction of waste and greenhouse gas emissions and promotion of biodiversity



## Summary of activities conducted in 2015 as an environmentally-proactive company

**Increase**  
energy efficiency and

**Promote**  
biodiversity



- **Replaced old chillers** that have been operated for a long time with better and high efficiency chillers in 9 hypermarket stores. We also installed double glass doors on the refrigerated showcases in 6 hypermarket stores to improve refrigeration and save energy.
- **Mini Big C**
  - > **Project to install energy saving devices** to reduce consumption of the air conditioners. Completed in 55 stores.
  - > **Project to reduced store's inside temperature** by painting the roof of 70 stores with thermal barrier paint, and installed heat protection film on the glass windows in 60 stores. This helped reduce energy consumption by 3.5% resulted in lower energy cost which ensures Big C's price leadership position.
  - > **6 Mini Big C stores participated in the MEA Energy Saving building Award 2015** to reiterate Big C's commitment in driving sustainable by applying energy saving measures in our stores.



## Reduce

### waste management



Big C helps promote awareness on environment protection through projects associated with reuse concept, i.e.

- **Green Roof Project**

To encourage consumers to recycle under the “Easy thing you can do to save the earth” campaign, Big C introduced “Green Roof” project, in partnership with Tetrapak Thailand, and Fiber Pattana, which are local recycle companies, and the Friends in Need (of Pa) Royal Foundation. Big C took an important role in collecting used drink cartons by providing collecting boxes at major branches of Big C Supercenter. The collected cartons will be recycled into eco-friendly foiled roofs called “Green Roof to help disaster victims”. Currently Big C has provided collecting boxes in 129 branches and turned the collected drink cartons into 8,200 eco roof sheets. Due to this project, Big C was granted an award to honor as a private organization who support the Friends in Need (of Pa) Royal Foundation at the Green Expo TV 360.

- **Reducing the use of plastic bag**

As a party to a joint campaign to reduce using plastic bags on occasion of World Environment Day 2015, Big C has joined on boosting consumer to say “NO” for plastic shopping bags on August 15, September 15 and 30, October 15 and 30 (5 days in total) for reducing waste and carbon dioxide which is the key issue of global warming today.

**In 2015 Big C was able to reduce the amount of plastic bags used in various activities by 40,737,492 units.**



- **Biodegradable plastic project** is applied at fresh food department. We also have donation boxes to receive old batteries.

## Reduce

### greenhouse gas emissions



Big C improved our logistics efficiency through development of distribution networks.

- Building 2 new distribution centers in Thanyaburi and Ladkrabang. We achieved in reduction of the number of trips in goods delivery and number of kilometers travelled by 17% which can translate into reduction of the GHG emissions and lessen global warming effect.



# Local Corporate Citizen

## Develop

foundation programs

## Develop

solidarity  
partnerships

## Multiply

solidarity proximity  
actions



Big C is committed to be more than just a retailer. We wish to be in the heart of the community under our vision “Marketplace at the Heart of the Community”. Following activities are our involvement with communities, both around stores, regular customers, and related stakeholders such as local administrative organizations and government offices.



## Summary of activities conducted in 2015 as a good corporate citizen

### Develop

foundation programs



### Educational Development:

Big C Thai Foundation – creating dreams, happiness, and smiles to Thai society”.

During 2015, we completed the following projects:

1. Donated 3 Big C School Buildings no.42-44 to rural areas, valued 5,400,000 baht.
2. Gave 5,037 Big C Thai Foundation Scholarships (three year scholarship) nationwide, amounted to 15,219,000 baht.
3. Donated 1 Big C Basketball Court no.12, valued 350,000 baht.
4. Supported Education and Quality of Life Development projects for Hilltribe Children, amounted to 1,674,875 baht. These projects were initiated by H.R.H. Princess Maha Chakri Sirindhorn.



5. Supported anti-drug network project with Office of the Narcotics Control Board.
6. Supported project to promote the 'Philosophy of Sufficiency Economy - The Royal Initiative of His Majesty King Bhumibol Adulyadej (Vocational Education), amounted to 1,419,000 baht.
7. Supported project of "Big C Big Kids" in four regions, amounted to 1,000,000 baht.
8. Donated sport equipment sets to 50 schools nationwide, amounted to 343,000 baht.
9. Developed 1 school library, valued 100,000 baht.
10. Used "Civil Contingencies fund" to help school in Suphanburi which school building was devastated by fire, amounted to 40,000 baht.
11. Donated to Art-for-all camp – Charitable Fund, amounted to 100,000 baht.
12. Other projects - Supported fun activities on children's day, amounted to 50,000 baht. Provided special scholarships for students who help families and society, amounted to 16,000 baht.

## Develop

solidarity partnerships and

## Multiply

solidarity proximity actions



We have activities related to Community Development and Health Promotion.

### Community Development:

#### ● 3<sup>rd</sup> Year Project on Big C Joining Hands for Better Community.

Our "Joining Hands for a Better Community" campaign is a bottom-up CSR program that has been organized for the second year and has enabled us to work closely with local communities and the Ministry of Interior, selecting a number of potential projects to support. Ten selected projects were given an opportunity to be voted via Big C Create Better Day Facebook page and five most popular projects will be funded with budget of 300,000 baht for the implementation. Five selected projects were:

- > Wastewater Treatment with Bio-nanotechnology - Rayong Province
- > The Green Market – Chaiyaphom Province
- > Learning Center for Sufficiency Economy – Sukhothai Province
- > Learning Center for Community – Satun Province
- > Learning Center for Disabled Persons – Samutsongkhram Province

#### ● Project of The Marketplace at the Heart of the Community

In 2015, the project of "Marketplace at the Heart of the Community" has finally accomplished its objective of making the better for the community. Over 55 stores nationwide participated in this project. Big C's kind-hearted staffs deserve big thanks for getting in touch with local people, putting efforts in these community-oriented initiatives and driving them to success. These projects have reflected basic needs of the local concerning education, religion, health and community as a whole. The project gives benefit to more than 50,000 people and will definitely pave way to sustainable community development. Examples of sub-activities are:

- > Establishing the residence for the homeless people project run by Big C Loey.
- > Handing over the garbage pail and cleaning up Khlong Chedi Bucha project run by Big C Nakornprathom.
- > Improving the electronic system at Hon khong arm choa su kung Naka shrine Project run by Big C Phuket.
- > Constructing the stage for performing the indoor and outdoor exhibition at the art center building, Koh Samai Project run by Big C Samui.
- > Renovating the multipurpose building Baan Kedtri mosque Project run by Big C Satun.
- > Repairing and expanding the canteen and the meeting room at Baantaoud School, Thawatburi Project run by Big C Roi Ed.



- **The Big C Food Bank Project**

The Big C Food Bank Project is made available with the cooperation of four Big C Extra stores near the slum child care centers; namely Big C Extra Rama 4, Ladphrao 2, Phetchakasem 2 and Onnuch. Quality fresh food, dry food and dairy products have been provided for four slum child care centers depending on each centers' convenience and food management plan. These centers were Baan Som Wai in Klong Toey community, Baan Sri-Nagarindra in Nong Kham garbage dump, Baan Sua Yai, in Pracha-u-thit community and Baan Hang Kwam Wang in On Nut garbage dump, under the Royal Patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra. The project confirms Big C status of the Marketplace at the Heart of the Community, in which our social responsibility focus will be on education development, health promotion, environmental development and community development. This Big C Food Bank project was commenced since May 2015 and will last for a year. With the project, Big C expects to improve life quality of about 500 children.



- **Make the greatest offerings with necessities contributed by Big C consumers**

As a part of the annual campaign to collect necessities for monks at temples in remote areas nationwide, Big C executives and kind-hearted staff traveled to Wat Si Yak (in Sakaew), Wat Pu Chan Daeng (in Ubon Ratchathane), Wat Mai (in Nan) and also Wat Don Mamoung (in Chumpon) to make the greatest offerings with necessities contributed by Big C consumers across the nation. This year, 1,628 packs were collected, representing 18% increase compared to last year. This shows how generous the Thai people are and reminds us that faith in Buddhism remains strong in modern days.



- **Revitalize the child patients with cancer on Children's Day**

Big C Supercenter joined hands with Wishing Well Foundation to spread the happiness and the power to child patients with cancer. On Children's Day our campaign "Big C Wishing Well Gift For Life" handed over 3,000 new toys, including dolls, kid toys, bags, caps, and many more. All toys were donated by Big C customers for over 30 hospitals.



- **Grant Student Uniforms and Shoes to underprivileged students**

Big C and KAO (Thailand) granted the student uniforms collected from customers' donation at Big C stores nationwide to help underprivileged students as part of the CSR campaign. Over 20,000 student uniforms and 1,800 pairs of shoes were given to students around the country by the distribution of Border Patrol Police Headquarter.

- **Enhances better access to government services via Amphur Yim Activity**

In cooperation with Ministry of Interior, Big C set up a one-stop government service office in 15 Big C's stores nationwide.

- **Kicks off "iBox", Thailand's first smart parcel lockers working 24-hours**

Big C cooperated with Thailand Post launched "iBox" that provides 24-hours drop box service to consumers at Big C Suwintawong Store. This project makes Big C the first and only retailer that offers smart parcel lockers to Big C customers and people around the neighborhood.





- **Introduced passport unit at Big C Supercenter in Suwintawong.**

Big C cooperated with Consular Department of Ministry of Foreign Affairs to introduce passport unit at Minburi. The project is a model for One Stop Service to respond to customers' needs. The Offices of Passport Division at Big C Suwintawong offers services to people in eastern areas and is able to service 1,200 people daily.



- **Disaster Relief**

Big C supported the drought relief project by providing drinking water to help drought-affected citizens nationwide, such as, 12,000 cup of drinking water for people in Ang-thong Province. In addition, we provided more than 1,000,000 bottles of drinking water under drought relief project via Big C all stores nationwide.



- **Support Local Traditions**

As part of our plan in enhancing strong community, Big C helps communities to preserve local traditional events. Each year, Big C supports more than 300 local traditional events.



- **Support Government Campaigns**

Big C supported the events of "Bike for Mom 2015", in honor of Her Majesty Queen Sirikit and "Bike for Dad 2015" in honor of His Majesty the King, through the National Identity Office, under the Office of the Permanent Secretary.

## Health Promotion:

- **Mini Marathon to support youngsters suffering from visual impairment**

Big C joined hands with the Low Vision Association (Thailand) to organize a mini marathon "Ratchasuda Foundation - Big C Run & Fun Walk for Low Vision 2<sup>nd</sup> Year" in honor of HRH Princess Maha Chakri Sirindhorn's 60<sup>th</sup> birthday and to raise funds to support youngsters suffering from visual impairment. The event successfully raised 1 million baht of funds.



- **World Milk Day Activity 3<sup>rd</sup> Year**

During World Milk Day, Big C cooperated with Dutchmill Group to organize activity for World Milk Day Year 3 at Big C Saphankwai to encourage kids to realize an importance of drinking milk for their health. We also donated a total of 6,000,000 milliliters of milk to the Border Petrol Police School on Auspicious Occasion of 60<sup>th</sup> Anniversary of HRH Princess Maha Chakri Sirindhorn.



- **Big C DNA Vegan Festival 3<sup>rd</sup> Year**

To raise fund to supply medical equipment for Learning Center for Young Children at Children Hospital Foundation, Big C and DNA Soy Milk donated proportion from the sale of DNA soy milk throughout the Vegan Festival. In the end the campaign generated 400,000 baht for a donation.







- **Blood Donation**

Big C cooperated with the Thai Red Cross Society to set up a monthly blood donation unit at Big C stores nationwide.

- **Primary Health-Check**

Big C cooperated with Ministry of Public Health, Provincial Health Office and Bangkok Metropolitan in providing an in-store health inspection unit for customers which will be variously provided the basic check-up in each month such as checking-up Diabetes Mellitus and Blood pressure in November and Dental care in December at Big C 5 stores as follow;

1. Big C Rajdamri
2. Big C Romklao
3. Big C Rama 2
4. Big C Extra Onnuch
5. Big C Extra Phetchkasem 2

- **Vaccination of diphtheria - tetanus for immunity the disease without charge**

Big C cooperated with Ministry of Public Health, Thai Red Cross Society and Bangkok Metropolitan to provide Vaccination of diphtheria - tetanus as immunity for people with the age during 20-50 years old without charge at Big C 5 stores as following;

1. Big C Chaengwattana
2. Big C Rama 2
3. Big C Rajdamri
4. Big C Extra Ladphrao 2
5. Big C Extra Phetchkasem 2

# Trusted partner

## Strengthen

ethical social  
compliance

## Support

local production  
channels

## Promote

the CSR initiatives of SMEs



Big C cooperated with our suppliers in the field of corporate social responsibility. We recognize that we are an intermediary between the manufacturer/supplier of goods and consumers. If the manufacturer/supplier understands and joins our actions we will be able to achieve our goal to become the retailer at the heart of communities.

In 2015, we continued to support and cooperate with local producers by purchasing products directly from farmers, which are a part of BQL program. Customer can choose the product under a Big C Quality Line by observing the mark BQL, which currently has more than 100 items, including meats, vegetables and fruits under the program.

In 2015, we invited 248 manufacturers and suppliers of our private label products to attend an ethical training under Big C Supplier Charter of Ethics. We also conducted internal training, for employees who have direct contact with suppliers, which

more than 700 employees attended. This is to provide an understanding and to bring the guidelines into practice. Our goal is to link the need for economic development to the community in which we were involved in particular, the development of human rights.







## Summary of activities conducted in 2015 as a trusted partner

### Strengthen

ethical social compliance



#### 1. Train all private label suppliers on social compliance

We arranged class room training on Big C Suppliers' Charter of Ethics for 248 private label suppliers who sell their products under Big C brands. We also arranged the same training to over 700 employees to ensure the same understanding of the policy.

#### 2. Communicate on actions to fight against corruption

All employees must review the policy, conduct a post-test examination, and sign the acknowledgement on "Standard of Business Conduct Employee Pledge" once a year.

#### 3. Monitor and evaluate compliance of social requirements

We request our private label suppliers to provide their social information to conduct risk assessment. This is to identify risky product categories and risky suppliers. Moreover, we started four social audits based on Initiative Clause Social Standard in 2015.

#### 4. Promote sustainability relationships with suppliers

Support sustainable palm oil production from non-deforestation areas by locating the GPS location of each CPO mills in collaboration with The Forest Trust (TFT) to assess the risk of getting palm fruits from deforestation areas.

### Support

local production channels



#### Support Community Development via the Royal Initiative Projects under HRH Princess Sirindhorn

To support the Royal Initiative Project in developing community of HRH Princess Sirindhorn, Big C proudly provided space for Phufa Royal Store at Big C Rajdamri branch which opened in 2015 and Big C Extra Rama 4 which opened in 2014. Big C is also cooperating with Phufa Development Center, which is part of the Royal Initiative Project of HRH Princess Maha Chakri Sirindhorn, in promoting and distributing Phufa products in a bid to help raise income for communities in need in the rural areas of Northern Thailand.

### Promote

the CSR initiatives of SMEs

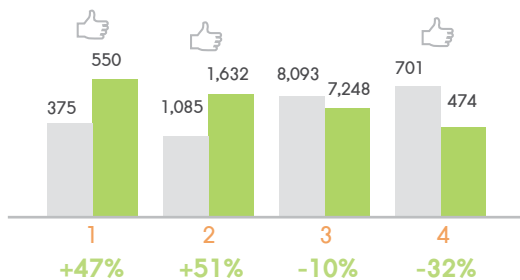


#### Promote sustainable relationships with SMEs

We provide free training on Good Manufacturing practices, Good Agricultural practices, and provide free training on basic food microbiology for fresh food suppliers. We audited 40 key fresh food suppliers on Good Manufacturing practices in 2015 to improve their manufacturing standards.

# Key Performance Indicators for CSR Implementation

## Committed employer



1. Staff with disabilities\*

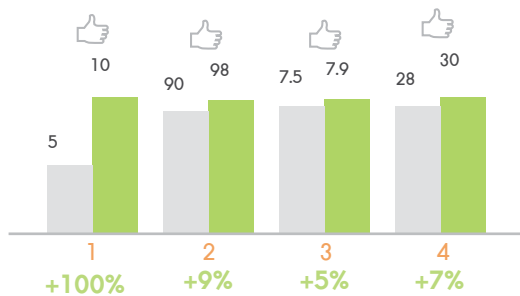
\*This figure includes 110 staff with disabilities not directly employed by Big C (concession).

2. Total learning hours ('000)

3. Number of internal promotions

4. Total number of accidents (Case)

## Responsible retailer



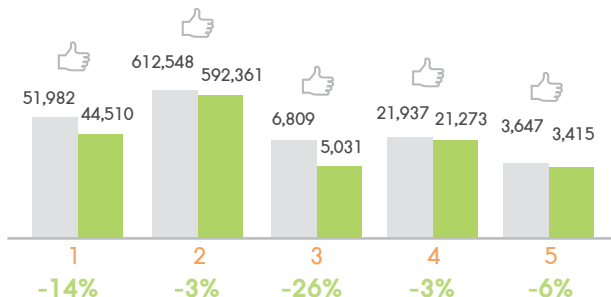
1. Number of organic private label products

2. Number of national brand organic products

3. Revenue from organic products (THB million)

4. Number of fresh food key suppliers audit

## Environmentally-proactive company



1. Total km travelled (Distribution Centers to Stores) ('000 km)

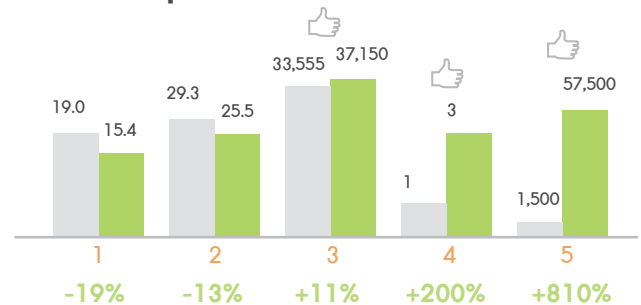
2. Electricity consumption of Hypermarket & Mini Big C ('000 kw)

3. Total water usage of Hypermarket ('000 m³)

4. Total recycled cardboard (tons)

5. Total shopping bags (tons)

## Local corporate citizen



1. Funds raised from customers (THB million)

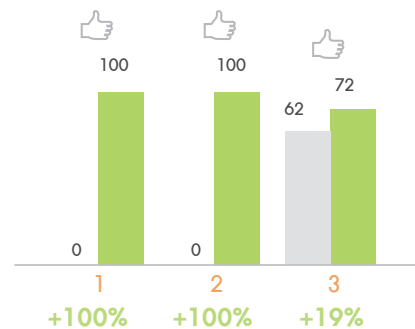
2. Financial support to local institutions (THB million)

3. Number of children benefitting from Big C Thai Foundation activities

4. Total food donated through CSR activities (tons)

5. Number of beneficiaries from CSR projects

## Trusted partner



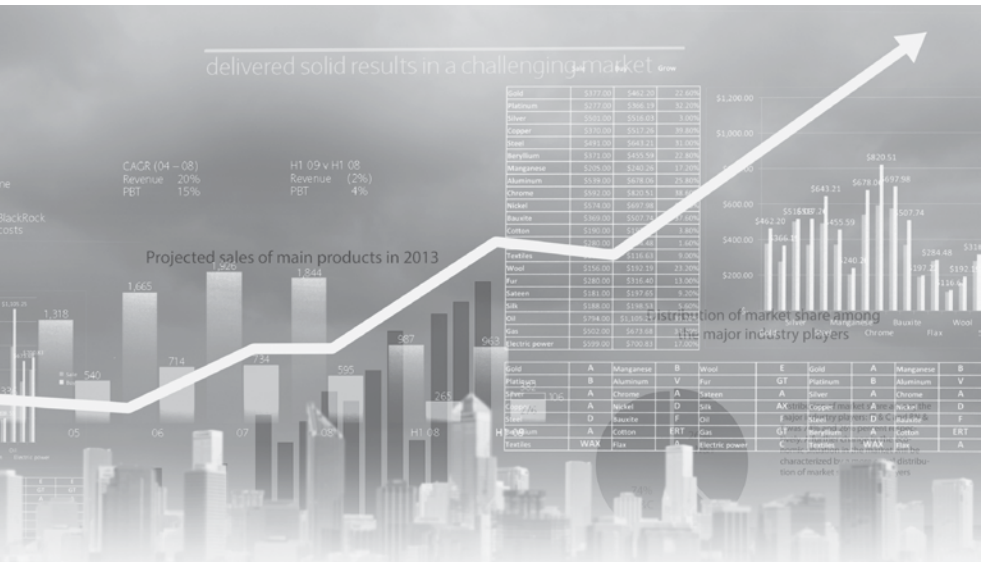
1. Private label suppliers attended Suppliers' Charter of Ethics Training (%)

2. Buyers attended Suppliers' Charter of Ethics Training (%)

3. Number of textile suppliers with national brands

Remarks : 2014 2015

# Financial Statements



# Responsibility of the Board of Directors to the Financial Statements

## **The Board of Directors of Big C Supercenter Public Company Limited ("the Company")**

**is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information as presented in the annual report.**

**The financial statements are prepared in conformity with generally accepted accounting standards which are appropriately applied on a consistent basis.**

**Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to the financial statements.**



**Mr. Akani Thapthimthong**

The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions.

The Board of Directors has appointed the audit committee which comprises independent directors, to control the quality of the financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report. The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of 31 December 2015.



**Chairman of the Board  
Mr. Robert James Cissell  
CEO & President**

## Independent Auditor's Report To the Shareholders of Big C Supercenter Public Company Limited

I have audited the accompanying consolidated financial statements of Big C Supercenter Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Big C Supercenter Public Company Limited for the same period.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big C Supercenter Public Company Limited and its subsidiaries and of Big C Supercenter Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



**Wichart Lokatekrawee**

**Certified Public Accountant (Thailand) No. 4451**

EY Office Limited

Bangkok: 9 February 2016



**Big C Supercenter Public Company Limited and its subsidiaries**  
**Statement of financial position**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	2,367,839,699	11,413,529,501	2,275,319,236	11,334,832,953
Trade and other receivables	7	240,030,268	227,971,068	679,353,406	655,550,987
Supplier receivables and tenant receivables	8	3,138,097,462	3,206,134,705	2,941,811,664	3,181,264,696
Inventories	9	10,918,346,961	11,552,362,661	10,753,792,504	11,387,138,715
Other current assets	10	995,631,067	914,138,661	905,810,117	842,466,590
<b>Total current assets</b>		<b>17,659,945,457</b>	<b>27,314,136,596</b>	<b>17,556,086,927</b>	<b>27,401,253,941</b>
<b>Non-current assets</b>					
Loan to associate companies	11	351,000,000	84,000,000	351,000,000	84,000,000
Investments in subsidiaries	12.1	-	-	42,031,809,554	42,031,810,960
Investments in associates	13	-	-	110,567,900	110,567,900
Investment properties	14	16,003,142,993	16,187,612,010	9,784,872,223	9,600,040,862
Property, plant and equipment	15	27,035,904,531	26,042,701,991	21,010,032,233	19,544,198,295
Goodwill	12.2	26,722,032,240	26,722,032,240	-	-
Leasehold rights	16	5,117,233,377	4,778,781,079	3,322,415,666	3,298,320,153
Other intangible assets	17	146,194,023	153,987,569	146,069,469	153,801,579
Deferred tax assets	29.3	709,372,092	689,804,775	511,711,443	503,029,091
Other non-current assets	18	826,348,921	805,300,163	793,731,416	771,837,447
<b>Total non-current assets</b>		<b>76,911,228,177</b>	<b>75,464,219,827</b>	<b>78,062,209,904</b>	<b>76,097,606,287</b>
<b>Total assets</b>		<b>94,571,173,634</b>	<b>102,778,356,423</b>	<b>95,618,296,831</b>	<b>103,498,860,228</b>

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	19	-	6,000,000,000	-	6,000,000,000
Trade and other payables	20	28,319,611,828	28,863,724,699	28,833,987,588	29,718,672,977
Current portion of unearned leasehold rights		45,196,474	36,648,322	29,404,773	34,796,597
Current portion of long-term loans from financial institutions	21	5,675,000,000	4,675,000,000	5,675,000,000	4,675,000,000
Short-term loans from subsidiary companies	11	-	-	3,543,102,747	2,431,310,573
Income tax payable		183,004,244	400,277,556	80,081,510	355,210,107
Short-term provisions		48,227,622	46,363,965	23,041,680	23,236,355
Other current liabilities	22	2,257,051,249	2,080,192,707	1,988,417,982	1,863,820,503
<b>Total current liabilities</b>		<b>36,528,091,417</b>	<b>42,102,207,249</b>	<b>40,173,036,280</b>	<b>45,102,047,112</b>
<b>Non-current liabilities</b>					
Unearned leasehold rights - net of current portion		411,900,239	157,550,929	133,866,049	146,098,038
Long-term loans from subsidiary company	11	-	-	1,746,200,000	1,746,200,000
Long-term loans from financial institutions - net of current portion	21	6,300,000,000	13,975,000,000	6,300,000,000	13,975,000,000
Liabilities under a finance lease agreement - net of current portion	23	226,602,118	237,802,112	226,602,118	237,802,112
Provision for long-term employee benefits	24	547,105,213	453,713,037	534,325,542	441,805,214
Deferred tax liabilities	29.3	1,621,853,149	1,536,011,599	581,472,738	489,056,032
Other non-current liabilities	25	2,264,868,833	2,169,476,622	2,139,947,746	2,000,970,181
<b>Total non-current liabilities</b>		<b>11,372,329,552</b>	<b>18,529,554,299</b>	<b>11,662,414,193</b>	<b>19,036,931,577</b>
<b>Total liabilities</b>		<b>47,900,420,969</b>	<b>60,631,761,548</b>	<b>51,835,450,473</b>	<b>64,138,978,689</b>

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Shareholders' equity</b>					
Share capital					
Registered					
825,000,000 ordinary shares of Baht 10 each		8,250,000,000	8,250,000,000	8,250,000,000	8,250,000,000
Issued and fully paid up					
825,000,000 ordinary shares of Baht 10 each		8,250,000,000	8,250,000,000	8,250,000,000	8,250,000,000
Share premium		5,955,654,575	5,955,654,575	5,955,654,575	5,955,654,575
Retained earnings					
Appropriated - statutory reserve	26	901,959,479	901,959,479	825,000,000	825,000,000
Unappropriated		31,788,277,392	27,083,980,334	28,752,191,783	24,329,226,964
		32,690,236,871	27,985,939,813	29,577,191,783	25,154,226,964
Other components of shareholders' equity		(235,753,698)	(65,753,698)	-	-
Equity attributable to owners of the Company		46,660,137,748	42,125,840,690	43,782,846,358	39,359,881,539
Non-controlling interests of the subsidiaries		10,614,917	20,754,185	-	-
<b>Total shareholders' equity</b>		<b>46,670,752,665</b>	<b>42,146,594,875</b>	<b>43,782,846,358</b>	<b>39,359,881,539</b>
<b>Total liabilities and shareholders' equity</b>		<b>94,571,173,634</b>	<b>102,778,356,423</b>	<b>95,618,296,831</b>	<b>103,498,860,228</b>

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

## Big C Supercenter Public Company Limited and its subsidiaries

### Income Statement

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Revenues</b>					
Sales		119,620,106,931	121,844,598,375	118,895,804,267	120,978,370,064
Rental and service income		9,787,081,878	9,385,369,311	9,403,705,279	9,056,603,016
Dividend income	12.1	-	-	1,224,958,652	1,003,962,348
Other income	27	4,301,923,041	4,164,560,511	4,144,694,500	4,252,121,351
<b>Total revenues</b>		<b>133,709,111,850</b>	<b>135,394,528,197</b>	<b>133,669,162,698</b>	<b>135,291,056,779</b>
<b>Expenses</b>	28				
Cost of sales and service		103,173,989,424	103,619,638,988	102,933,569,884	103,283,393,330
Selling and services expenses		18,877,124,250	19,231,717,608	19,568,007,946	19,759,294,603
Administrative expenses		2,457,451,687	2,561,212,546	2,424,296,812	2,527,052,386
<b>Total expenses</b>		<b>124,508,565,361</b>	<b>125,412,569,142</b>	<b>124,925,874,642</b>	<b>125,569,740,319</b>
<b>Profit before share of loss from investments in associates, finance cost and income tax expenses</b>		<b>9,200,546,489</b>	<b>9,981,959,055</b>	<b>8,743,288,056</b>	<b>9,721,316,460</b>
Share of loss from investments in associates	13.2	-	(110,568,000)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>9,200,546,489</b>	<b>9,871,391,055</b>	<b>8,743,288,056</b>	<b>9,721,316,460</b>
Finance cost		(677,431,380)	(865,912,549)	(834,849,948)	(977,075,278)
<b>Profit before income tax expenses</b>		<b>8,523,115,109</b>	<b>9,005,478,506</b>	<b>7,908,438,108</b>	<b>8,744,241,182</b>
Income tax expenses	29	(1,621,220,905)	(1,755,875,923)	(1,292,919,900)	(1,530,409,881)
<b>Profit for the year</b>		<b>6,901,894,204</b>	<b>7,249,602,583</b>	<b>6,615,518,208</b>	<b>7,213,831,301</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		6,897,593,225	7,234,765,729	6,615,518,208	7,213,831,301
Non-controlling interests of the subsidiaries		4,300,979	14,836,854		
		<b>6,901,894,204</b>	<b>7,249,602,583</b>		
<b>Earnings per share</b>	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		8.36	8.77	8.02	8.74
Weighted average number of ordinary shares (Shares)		825,000,000	825,000,000	825,000,000	825,000,000

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit for the year</b>		<u>6,901,894,204</u>	<u>7,249,602,583</u>	<u>6,615,518,208</u>	<u>7,213,831,301</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	24	(39,707,709)	(30,257,390)	(38,779,237)	(29,274,146)
Less: Income tax effect	29.1	<u>7,911,542</u>	<u>6,051,478</u>	<u>7,725,848</u>	<u>5,854,829</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(31,796,167)</u>	<u>(24,205,912)</u>	<u>(31,053,389)</u>	<u>(23,419,317)</u>
<b>Other comprehensive income for the year</b>		<u>(31,796,167)</u>	<u>(24,205,912)</u>	<u>(31,053,389)</u>	<u>(23,419,317)</u>
<b>Total comprehensive income for the year</b>		<u><u>6,870,098,037</u></u>	<u><u>7,225,396,671</u></u>	<u><u>6,584,464,819</u></u>	<u><u>7,190,411,984</u></u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		6,865,797,058	7,210,559,817	<u>6,584,464,819</u>	<u>7,190,411,984</u>
Non-controlling interests of the subsidiaries		<u>4,300,979</u>	<u>14,836,854</u>		
		<u><u>6,870,098,037</u></u>	<u><u>7,225,396,671</u></u>		

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



**Big C Supercenter Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2015**

		Consolidated financial statements						(Unit: Baht)	
		Equity attributable to the Company's shareholders							
		Other components of shareholders' equity							
		Difference resulting from additional purchase of investments in the subsidiaries at a price higher than the net book value							
Note	Issued and fully paid-up share capital	Share premium	Retained earnings		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
			Appropriated	Unappropriated					
<b>Balance as at 1 January 2014</b>	8,250,000,000	5,955,654,575	901,959,479	21,977,170,517	(65,753,698)	19,173,331	37,038,204,204		
Profit for the year	-	-	-	7,234,765,729	-	14,836,854	7,249,602,583		
Other comprehensive income for the year	-	-	-	(24,205,912)	-	-	(24,205,912)		
Total comprehensive income for the year	-	-	-	7,210,559,817	-	14,836,854	7,225,396,671		
Dividend paid	-	-	-	(2,103,750,000)	-	-	(2,103,750,000)		
Decrease in non-controlling interests of the subsidiaries resulting from dividend paid	-	-	-	-	-	(13,256,000)	(13,256,000)		
<b>Balance as at 31 December 2014</b>	8,250,000,000	5,955,654,575	901,959,479	27,083,980,334	(65,753,698)	20,754,185	42,146,594,875		
Profit for the year	-	-	-	6,897,593,225	-	4,300,979	6,901,894,204		
Other comprehensive income for the year	-	-	-	(31,796,167)	-	-	(31,796,167)		
Total comprehensive income for the year	-	-	-	6,865,797,058	-	4,300,979	6,870,098,037		
Excess of investment in subsidiary company arising as a result of additional purchase of investment in the subsidiary company at a price higher than the net book value of the subsidiary company	-	-	-	-	-	-	-		
Dividend paid	-	-	-	(2,161,500,000)	-	-	(2,161,500,000)		
Decrease in non-controlling interests of the subsidiaries resulting from dividend paid	-	-	-	-	(170,000,000)	-	(170,000,000)		
<b>Balance as at 31 December 2015</b>	8,250,000,000	5,955,654,575	901,959,479	31,788,277,392	(235,753,698)	10,614,917	46,670,752,665		

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Note	Separate financial statements				Total shareholders' equity
		Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	
				Appropriated		
<b>Balance as at 1 January 2014</b>		8,250,000,000	5,955,654,575	825,000,000	19,242,564,980	34,273,219,555
Profit for the year		-	-	-	7,213,831,301	7,213,831,301
Other comprehensive income for the year		-	-	-	(23,419,317)	(23,419,317)
Total comprehensive income for the year		-	-	-	7,190,411,984	7,190,411,984
Dividend paid	31	-	-	-	(2,103,750,000)	(2,103,750,000)
<b>Balance as at 31 December 2014</b>		8,250,000,000	5,955,654,575	825,000,000	24,329,226,964	39,359,881,539
Profit for the year		-	-	-	6,615,518,208	6,615,518,208
Other comprehensive income for the year		-	-	-	(31,053,389)	(31,053,389)
Total comprehensive income for the year		-	-	-	6,584,464,819	6,584,464,819
Dividend paid	31	-	-	-	(2,161,500,000)	(2,161,500,000)
<b>Balance as at 31 December 2015</b>		8,250,000,000	5,955,654,575	825,000,000	28,752,191,783	43,782,846,358

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

## Big C Supercenter Public Company Limited and its subsidiaries

### Cash flows Statement

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Cash flows from operating activities					
Profit before tax		8,523,115,109	9,005,478,506	7,908,438,108	8,744,241,182
Adjustments to reconcile profit before tax to					
net cash provided by (paid from) operating activities:					
Depreciation and amortisation		3,773,280,115	3,877,720,281	2,809,555,356	2,817,958,146
Unearned leasehold rights recognised during the year		(47,067,736)	(38,837,510)	(35,479,011)	(35,882,338)
Allowance for doubtful debt (reversal) and bad debt		(19,292,681)	(2,970,712)	7,986,102	(404,255)
Reduction of inventory to net realisable value		44,897,173	48,768,454	43,780,755	48,598,555
Provision for contingent liabilities (reversal)		1,863,657	(32,197,611)	(194,675)	(19,868,118)
Provision for long-term employee benefits		73,636,407	68,986,401	72,475,311	67,887,220
Unrealised gain on exchange		(12,424,861)	(1,404,621)	(12,424,861)	(1,404,621)
Loss (gain) on disposals/written off of property, plant					
and equipment and investment properties		(133,484,606)	6,822,651	7,045,696	7,452,770
Allowance for impairment of property, plant and					
equipment and leasehold rights (reversal)		25,450,382	(7,346,296)	32,610,000	-
Loss on written-off of intangible assets		2,849,824	-	2,849,824	-
Dividend income from subsidiaries	12.1	-	-	(1,224,958,652)	(1,003,962,348)
Share of loss from investments in associates	13.2	-	110,568,000	-	-
Interest income		(22,061,401)	(13,205,897)	(20,831,628)	(55,950,910)
Interest expenses		656,981,380	845,460,220	814,399,948	956,622,949
Profit from operating activities before changes					
in operating assets and liabilities		12,867,742,762	13,867,841,866	10,405,252,273	11,525,288,232

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Cash flows Statement (continued)**  
**For the year ended 31 December 2015**

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivable	(8,366,042)	95,178,365	(20,109,261)	104,051,033
Supplier receivables and tenant receivables	252,058,516	54,946,188	231,912,897	43,494,147
Inventories	589,118,527	(2,065,812,340)	589,565,456	(2,057,817,181)
Other current assets	(87,051,727)	161,602,710	(68,926,068)	134,521,756
Other non-current assets	(21,862,948)	8,790,813	(20,338,594)	14,139,158
Operating liabilities increase (decrease)				
Trade and other payables	(100,848,903)	1,820,395,348	(509,009,184)	1,550,074,206
Other current liabilities	171,964,694	(4,781,874)	119,703,631	33,685,204
Other non-current liabilities	369,357,409	138,526,818	120,832,763	156,129,172
Cash flows from operating activities	14,032,112,288	14,076,687,894	10,848,883,913	11,503,565,727
Cash paid for interest expenses	(860,537,713)	(756,245,108)	(954,345,619)	(834,523,440)
Cash paid for employee benefits	(19,951,940)	(33,034,990)	(18,734,220)	(32,586,310)
Cash paid for income tax	(1,764,308,442)	(1,640,710,211)	(1,476,588,295)	(1,397,680,686)
<b>Net cash flows from operating activities</b>	<b>11,387,314,193</b>	<b>11,646,697,585</b>	<b>8,399,215,779</b>	<b>9,238,775,291</b>
<b>Cash flows from investing activities</b>				
Decrease in loans to subsidiary companies	-	-	-	4,142,979,786
Increase in loan to associate companies	(267,000,000)	(84,000,000)	(267,000,000)	(84,000,000)
Decrease (increase) in investments in subsidiary 12.1	(170,000,000)	-	1,406	(5,300,000,000)
Increase in investments in associates 13.1	-	(110,568,000)	-	(110,567,900)
Proceeds from disposal of property, plant and equipment and investment properties	22,561,212	31,180,615	3,255,731	30,269,828
Acquisition of property, plant and equipment and investment properties	(4,461,120,736)	(3,359,640,907)	(4,445,155,439)	(3,278,033,013)
Increase in leasehold rights	(690,884,488)	(52,213,014)	(233,255,731)	(46,788,200)
Increase in other intangible assets	(32,825,892)	(47,538,351)	(32,825,892)	(47,427,894)
Cash received from interest income	23,512,302	12,868,544	22,305,749	176,752,211
Dividend income from subsidiaries	-	-	1,224,958,652	1,003,962,348
<b>Net cash flows used in investing activities</b>	<b>(5,575,757,602)</b>	<b>(3,609,911,113)</b>	<b>(3,727,715,524)</b>	<b>(3,512,852,834)</b>

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Cash flows Statement (continued)**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from financing activities</b>				
Increase in short-term loans from subsidiary companies	-	-	1,111,792,174	597,306,014
Increase in long-term loans from subsidiary company	-	-	-	1,746,200,000
Repayment of liabilities under a finance lease agreement	(9,781,641)	(7,726,698)	(9,781,641)	(7,726,698)
Repayment of short-term loans from financial institutions	(6,000,000,000)	-	(6,000,000,000)	-
Repayment of long-term loans from financial institutions	(6,675,000,000)	(1,675,000,000)	(6,675,000,000)	(1,675,000,000)
Dividend paid	(2,158,024,505)	(2,101,906,090)	(2,158,024,505)	(2,101,906,090)
Dividend paid to non-controlling interest of the subsidiaries	(14,440,247)	(13,256,000)	-	-
<b>Net cash flows used in financing activities</b>	<b>(14,857,246,393)</b>	<b>(3,797,888,788)</b>	<b>(13,731,013,972)</b>	<b>(1,441,126,774)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,045,689,802)</b>	<b>4,238,897,684</b>	<b>(9,059,513,717)</b>	<b>4,284,795,683</b>
Cash and cash equivalents at beginning of year	11,413,529,501	7,174,631,817	11,334,832,953	7,050,037,270
<b>Cash and cash equivalents at end of year</b>	<b>2,367,839,699</b>	<b>11,413,529,501</b>	<b>2,275,319,236</b>	<b>11,334,832,953</b>
<b>Supplemental cash flow information:</b>				
Non cash items:				
Acquisition of property, plant and equipment and investment properties for which no cash has been paid	225,906,008	417,219,487	221,944,386	409,280,765
Proceed from disposal of property, plant and equipment and investment properties for which no cash has been received	164,282,625	-	-	-

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

**Big C Supercenter Public Company Limited and its subsidiaries**  
**Notes to consolidated financial Statements**  
**For the year ended 31 December 2015**

**1. General information**

Big C Supercenter Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The parent company of the Group is Casino, Guichard-Perrachon which was incorporated in France. The Company is principally engaged in the hypermarket business. The registered address of the Company is at 97/11, 6th Floor, Rajadamri Road, Lumpini, Pathumwan, Bangkok.

As at 31 December 2015, the Company and its subsidiaries operate 734 stores (the Company only: 730 stores) (2014: 636 stores and the Company only: 632 stores).

**2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of Big C Supercenter Public Company Limited (“the Company”), and the following subsidiary companies (“the subsidiaries”):



### Subsidiaries which were directly held by the Company

Company's name	Nature of business	Country of incorporation	Registered share capital		Percentage of shareholding	
			<u>2015</u> Million Baht	<u>2014</u> Million Baht	<u>2015</u> Percent	<u>2014</u> Percent
Chiangmai Big C (2001) Co., Ltd.	Dormant	Thailand	300	300	100.00	100.00
Central Superstore Ltd.	Rental of immovable assets and holding company	Thailand	1,300	1,300	100.00	100.00
Theparak Big C Ltd.	Rental of immovable assets and holding company	Thailand	80	80	100.00	100.00
Chiangrai Big C Ltd.	Rental of immovable assets	Thailand	180	180	100.00	100.00
Surat Big C Ltd.	Rental of immovable assets	Thailand	200	200	100.00	100.00
Big C Distribution Co., Ltd.	Dormant	Thailand	1	1	100.00	100.00
Cencar Ltd.	Rental of immovable assets	Thailand	10,000	10,000	39.00	39.00
Phitsanulok Big C 2015 Ltd. (formerly known as "SSCP (Thailand) Ltd.")	Retail business and holding company	Thailand	5,462	5,462	100.00	100.00
Big C Supercenter (Lao) Co., Ltd.	Retail and wholesale business (not yet commence operation)	Lao People's Democratic Republic	157	157	100.00	100.00

Indirect subsidiaries which were held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Registered share capital		Percentage of shareholding	
			<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
			Million Baht	Million Baht	Percent	Percent
<u>Investment through Central Superstore Ltd.</u>						
Central Pattaya Co., Ltd.	Rental of immovable assets	Thailand	80	80	100.00	100.00
Udon Big C Co., Ltd.	Rental of immovable assets	Thailand	850	850	100.00	100.00
Inthanon Land Co., Ltd.	Rental of immovable assets	Thailand	841	841	100.00	100.00
<u>Investment through Theparak Big C Ltd.</u>						
Big C Fairy Limited	Retail	Thailand	440	440	96.82	96.82
Pharam II Big C Co., Ltd.	Rental of immovable assets	Thailand	5	5	99.99	99.99
Pitsanulok Big C Ltd.	Retail and rental of immovable assets	Thailand	1,050	1,050	100.00	92.38
<u>Investment through Phitsanulok Big C 2015 Ltd. (formerly known as "SSCP (Thailand) Ltd.")</u>						
Cencar Ltd.	Rental of immovable assets	Thailand	10,000	10,000	61.00	61.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period.

The financial statements of Big C Supercenter (Lao) Co., Ltd., whose total assets included in the consolidated statement of financial position as at 31 December 2015 and 2014 amounted to approximately Baht 37 million and Baht 33 million, respectively (or 0.04% and 0.03% of the consolidated respective assets), were the management accounts which had not been audited by the auditor of this subsidiary.

- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) For the books of account, upon acquisition of additional shares of subsidiaries (repurchase shares from minority interest), the excess of cost of the investment at the acquisition date over the fair value of the net asset has been presented as other components of shareholders' equity in statement of changes in shareholder's equity under "Difference resulting from additional purchase of investments in the subsidiaries at a price higher than the net book value".
- h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Financial reporting standards that became effective in the current year**

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

##### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

## **IFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

## **IFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

### **(b) Financial reporting standards that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Sales of goods - Customer loyalty programmes*

The Company and its subsidiaries operate a loyalty programme which allows customers to accumulate points when they purchase products in the Company's and its subsidiaries' retail stores. The points can then be redeemed for discounted goods in the future.

Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed and the Company and its subsidiaries fulfill their obligations to supply awards.

#### *Rental and service income*

Rental and service income are recognised proportionately over the term of the lease and service agreements.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Trade accounts receivable, supplier receivable and tenant receivable and allowance for doubtful accounts**

Trade accounts receivable, supplier receivable and tenant receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

### **4.4 Inventories**

Inventories are valued at the lower of cost on an average method and net realisable value. Costs of inventories are presented net of cash receipts from suppliers which are related to the purchase of inventories.

### **4.5 Investments**

Investments in subsidiaries are accounted for in the separate financial statements using cost method.

Investments in associates are accounted for in the consolidated financial statements using the equity method and in the separate financial statements using the cost method.



#### 4.6 Investment properties and depreciation

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives within 20 - 30 years or lease period. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

The fair value of investment properties are disclosed in the notes to the financial statements.

#### 4.7 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

In the fourth quarter of the year 2014, the Company and subsidiary companies reviewed useful lives of their assets to reflect the expected pattern of the future economic benefits. In this regard, the Company and the subsidiaries have prospectively changed the following estimated useful lives of certain assets.

	Previous useful lives	Revised useful lives
Furniture, fixtures and office equipment	- 3-20 years	- 3-30 years
Utility systems	- 5 years and 20 years or lease period (maximum of 20 years)	- 5-20 years or lease period (maximum of 20 years)

The change resulted in increasing the profit of the Company and its subsidiaries for the year ended 31 December 2014 by Baht 66 million (0.08 Baht per share). (Separate financial statements: increasing the profit by Baht 64 million (0.08 Baht per share)).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvements	- 5-30 years
Leasehold improvements	- 5 years or lease period (maximum of 30 years)
Freehold and leasehold building and improvements	- 5 years and 30 years or lease period (maximum of 30 years)
Furniture, fixtures and office equipment	- 3-30 years
Utility systems	- 5-20 years or lease period (maximum of 20 years)
Vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress and project under development.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.8 Intangible assets**

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other case are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The useful lives of intangible assets is 5 years.

#### **4.9 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related cost are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equal to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is subsequently carried at cost less any accumulated impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.10 Related party transactions**

Related parties comprise enterprises and individuals that control or are controlled by the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

#### **4.11 Long-term leases**

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Lease of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.12 Leasehold rights**

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

Leasehold rights are amortised on the straight-line basis over the lease period.

#### **4.13 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.14 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.15 Employee benefits**

##### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### *Post-employment benefits*

##### Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

##### Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income or loss.

#### 4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.17 Income Tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences, and the carry forward of unused tax losses can be utilised except:



- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

#### **4.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **5.1 Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **5.2 Allowance for diminution in value of inventory**

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realisable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

### **5.3 Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **5.4 Investment property/Depreciation**

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of the investment property and to review estimate/useful lives and residual values when there are any changes.

In addition, the management is required to review investment property for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser. The key assumptions used in estimating the fair value are described in Note 14.

### **5.5 Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.6 Goodwill and intangible assets**

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## **5.7 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

## **5.8 Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **5.9 Litigation**

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company and its subsidiaries' management have used judgement to assess the results of the litigation and believe that the Company and its subsidiaries will receive favorable ruling for the cases. However for prudent reason, the management has used judgement to set up certain provision for litigation as at the end of reporting period.

## **5.10 Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

## **5.11 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

## 6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	2,040,383	1,682,514	1,998,866	1,649,266
Bank deposits	327,457	9,731,016	276,453	9,685,567
Total	<u>2,367,840</u>	<u>11,413,530</u>	<u>2,275,319</u>	<u>11,334,833</u>

As at 31 December 2015, bank deposits in saving accounts carried interests between 0.15 and 1.00 percent per annum (2014: between 0.13 and 1.75 percent per annum).

## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade and other receivables - related parties (Note 11)</u>				
<u>Trade accounts receivable</u>				
Aged on the basis of due dates				
Not yet due	87,137	80,157	522,864	507,878
Past due				
Up to 3 months	842	1,459	3,434	6,741
3 - 6 months	-	-	26	4
6 - 12 months	-	-	-	1
Total trade accounts receivable - related parties	<u>87,979</u>	<u>81,616</u>	<u>526,324</u>	<u>514,624</u>
<u>Other receivable</u>				
Aged on the basis of due dates				
Not yet due	17,705	19,717	22,841	19,717
Past due				
Up to 3 months	6,733	-	6,733	-
Total other receivable - related parties	<u>24,438</u>	<u>19,717</u>	<u>29,574</u>	<u>19,717</u>
Total trade and other receivables - related parties	<u>112,417</u>	<u>101,333</u>	<u>555,898</u>	<u>534,341</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	118,798	108,779	114,640	103,572
Past due				
Up to 3 months	7,556	16,569	7,556	16,348
3 - 6 months	35	4	35	4
6 - 12 months	-	69	-	69
Over 12 months	<u>1,224</u>	<u>1,217</u>	<u>1,224</u>	<u>1,217</u>
Total trade accounts receivable - unrelated parties	<u>127,613</u>	<u>126,638</u>	<u>123,455</u>	<u>121,210</u>
Total trade and other receivables	<u>240,030</u>	<u>227,971</u>	<u>679,353</u>	<u>655,551</u>

**8. Supplier receivables and tenant receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Age on the basis of due dates				
Not yet due	2,827,680	2,926,465	2,633,152	2,884,800
Past due				
Up to 3 months	298,039	314,183	297,382	313,143
3 - 6 months	60,339	23,854	59,966	23,561
6 - 12 months	19,404	11,134	18,844	10,676
Over 12 months	<u>23,474</u>	<u>41,075</u>	<u>17,318</u>	<u>26,395</u>
Total	<u>3,228,936</u>	<u>3,316,711</u>	<u>3,026,662</u>	<u>3,258,575</u>
Less: Allowance for doubtful debts	<u>(90,838)</u>	<u>(110,576)</u>	<u>(84,850)</u>	<u>(77,310)</u>
Total supplier receivables and tenant receivables, net	<u>3,138,098</u>	<u>3,206,135</u>	<u>2,941,812</u>	<u>3,181,265</u>

In 2015, the Company sold accounts receivables of approximately Baht 2,150 million (2014: Baht 3,200 million) at a discount to a financial institution without recourse. The Company derecognised such accounts receivables from the financial statements.



## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	11,251,819	11,750,317	(481,090)	(436,193)	10,770,729	11,314,124
Goods in transit	147,618	238,239	-	-	147,618	238,239
Total	11,399,437	11,988,556	(481,090)	(436,193)	10,918,347	11,552,363

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	11,081,050	11,583,540	(471,805)	(428,024)	10,609,245	11,155,516
Goods in transit	144,548	231,623	-	-	144,548	231,623
Total	11,225,598	11,815,163	(471,805)	(428,024)	10,753,793	11,387,139

## 10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
VAT refundable	748,544	736,345	745,992	733,133
Prepaid rental	187,992	147,364	100,974	78,823
Others	59,095	30,429	58,844	30,510
Total other current assets	995,631	914,138	905,810	842,466

## 11. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties. Pricing policy is summarised below:

1. Sales and cost of goods transactions, the prices will be based on the agreed prices between the parties.
2. Rental and service income and expenses will be based on the contract prices between the parties and according to market price.
3. Management fee income and expenses, and inventory management fee income, and other income and expenses will be based on the agreed prices between the parties and/or market price.
4. Interest rate of inter-company loan will be based on the interest rate close to those charged by commercial bank to normal customer.
5. Dividend income is recognised when declared.
6. Sales of assets will be based on the contract prices between the parties.

Significant transactions between the Company and its subsidiaries and related companies are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Transactions with subsidiary companies</u>				
<u>(eliminated from the consolidated financial statements)</u>				
Sales of goods	-	-	2,025	1,789
Inventory management fee income	-	-	21	16
Rental and service income	-	-	102	116
Interest income	-	-	-	44
Dividend income (Note 12.1)	-	-	1,225	1,004
Management fee income	-	-	61	60
Purchases of goods	-	-	43	24
Rental and service expenses	-	-	2,502	2,339
Interest expense	-	-	157	111

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with associated companies</u>				
Sales of goods	69	164	69	164
Management fee income	18	8	18	8
Place service income	2	1	2	1
Interest income	8	1	8	1
Sales of assets	-	25	-	25
Purchases of goods	-	5	-	5
<u>Transactions with related companies</u>				
Sales of goods	1	-	1	-
Other income	21	20	21	20
Management fee income	1	-	1	-
Purchases of goods	114	129	114	129
Management fee expense	247	137	247	137
Other expenses	37	36	37	36
Expenses paid by related parties	149	75	149	75
Income received by related parties	72	68	72	68

As at 31 December 2015 and 2014, those balances of the accounts are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Trade and other receivable - related parties (Note 7)</b>				
Subsidiary companies	-	-	443,481	433,008
Associated companies	23,146	4,030	23,146	4,030
Related companies (related by common shareholders)	89,271	97,303	89,271	97,303
<b>Total trade and other receivables - related parties</b>	<b>112,417</b>	<b>101,333</b>	<b>555,898</b>	<b>534,341</b>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Trade and other payables - related parties (Note 20)</b>				
Subsidiary companies	-	-	783,853	1,298,279
Associated companies	3,445	6,670	3,445	6,670
Related companies (related by common shareholders)	235,512	231,505	235,513	228,458
<b>Total trade and other payables - related parties</b>	<b>238,957</b>	<b>238,175</b>	<b>1,022,811</b>	<b>1,533,407</b>

### Loans to associated companies and loans from subsidiary companies

As at 31 December 2015 and 2014, the balance of loans to associated companies and loans from subsidiary companies and their movement are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Balance as at	Movement		Balance as at
	31 December	during the year		31 December
	2014	Increase	Decrease	2015
<b>Loans to associate companies</b>				
C Distribution (Thailand) Ltd.	84,000	127,000	-	211,000
C-Distribution Asia Pte Ltd.	-	140,000	-	140,000
<b>Total loan to associate companies</b>	<b>84,000</b>	<b>267,000</b>	<b>-</b>	<b>351,000</b>

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Movement		Balance as at
	31 December	during the year		31 December
	2014	Increase	Decrease	2015
<b>Short-term loans from subsidiary companies</b>				
Central Superstore Ltd.	661,815	172,000	(570,955)	262,860
Surat Big C Ltd.	25,747	35,000	(29,230)	31,517
Theparak Big C Ltd.	800,577	1,238,300	(1,489,094)	549,783
Chiengrai Big C Ltd.	133,556	57,000	(48,904)	141,652
Big C Distribution Co., Ltd.	2,417	-	-	2,417
Chiengmai Big C (2001) Co., Ltd.	307,199	8,000	(8,325)	306,874
Cencar Ltd.	500,000	1,780,000	(480,000)	1,800,000
Phitsanulok Big C 2015 Ltd. (formerly known as "SSCP (Thailand) Ltd.")	-	580,000	(132,000)	448,000
<b>Total short-term loans from subsidiary companies</b>	<b>2,431,311</b>	<b>3,870,300</b>	<b>(2,758,508)</b>	<b>3,543,103</b>
<b>Long-term loans from subsidiary company</b>				
Phitsanulok Big C 2015 Ltd. (formerly known as "SSCP (Thailand) Ltd.")	1,746,200	-	-	1,746,200
<b>Total long-term loans from subsidiary company</b>	<b>1,746,200</b>	<b>-</b>	<b>-</b>	<b>1,746,200</b>

Directors and management's benefits

During the year ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	827	915	827	915
Post-employment benefits	60	60	60	60
<b>Total</b>	<b>887</b>	<b>975</b>	<b>887</b>	<b>975</b>

## 12. Investments in subsidiaries

### 12.1 Details of investments in subsidiaries as presented in separate financial statements as at 31 December 2015 and 2014 are as follows:

Company name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Local subsidiaries</b>								
Chiengmai Big C (2001) Co., Ltd.	300	300	100.00	100.00	190,979	190,979	9,480	23,700
Central Superstore Ltd.	1,220	1,220	100.00	100.00	1,301,998	1,301,998	285,236	106,994
Theparak Big C Ltd.	80	80	100.00	100.00	380,137	380,137	349,999	249,999
Chiengrai Big C Ltd.	180	180	100.00	100.00	284,995	284,995	39,960	52,920
Surat Big C Ltd.	140	140	100.00	100.00	140,301	140,301	23,711	90,213
Big C Distribution Co., Ltd.	1	1	100.00	100.00	1,001	1,001	-	-
Cencar Ltd.	8,950	8,950	39.00*	39.00*	13,370,949	13,370,949	361,452	480,136
Phitsanulok Big C 2015 Ltd. (formerly known as "SSCP (Thailand) Ltd.")	5,462	5,462	100.00	100.00	26,330,108	26,330,109	155,121	-
<b>Foreign subsidiary</b>								
Big C Supercenter (Lao) Company Limited	31	31	100.00	100.00	31,342	31,342	-	-
Total investment in subsidiary companies					42,031,810	42,031,811	1,224,959	1,003,962

\* These shareholding percentages are directly held by the Company while the remaining portions are held by Phitsanulok Big C 2015 Ltd. (formerly known as "SSCP (Thailand) Ltd.").

On 8 April 2014, the meeting of the Company's Board of Director passed a resolution to approve the share capital increase of SSCP (Thailand) Ltd. (changed its name to "Phitsanulok Big C 2015 Ltd." on 14 May 2015), which is a 100 percent own subsidiary, from Baht 162 million to Baht 5,462 million by issuing 53 million new shares with par value of Baht 100. During the year 2014, the Company paid for this investment of Baht 5,300 million. The subsidiary registered the increase in its share capital with Ministry of Commerce on 30 April 2014.

In February 2015, a subsidiary, Theparak Big C Ltd., purchased ordinary shares in Phitsanulok Big C Ltd., another subsidiary of the Company, from two shareholders amounting to 8 million shares, Baht 170 million. Repurchasing of the shares caused the Company's percentage of shareholding in the subsidiary increased from 92.38 percent to 100 percent. The Company and subsidiaries recorded the excess of the fair values of the ordinary shares acquisition cost over the fair value of the subsidiary's attributable net assets under the caption of "Difference resulting from additional purchase of investments in the subsidiaries at a price higher than the net book value" in other components of shareholders' equity in the consolidated financial statements.



## 12.2 Goodwill

Goodwill mainly consists of goodwill on the share purchase agreement for acquiring shares of Cencar Limited, Nava Nakarintr Limited and SSCP (Thailand) Ltd. (changed name to “Phitsanulok Big C 2015 Ltd.”) in 2010. Goodwill of approximately Baht 26,361 million comprises the value of expected synergies and cost saving arising from the acquisition and other benefits from combining the acquirer’s and acquiree’s business.

## 13. Investments in Associates

13.1 Detail of investments in associates as presented in the consolidated and separate financial statements as at 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

Company's name	Country of incorporation	Paid-up capital	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amount based on equity method		Carrying amount based on cost method	
					<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
					(%)	(%)		
<b>Local associate</b>								
C Distribution (Thailand) Limited	Thailand	Baht 100 million	30*	30*	-	-	30,000	30,000
<b>Foreign associate</b>								
C-Distribution Asia Pte. Ltd.	Singapore	Euro 4.5 million	40	40	-	-	80,568	80,568
Total investments in associates					-	-	110,568	110,568

\*The shareholding percentage is directly hold by the Company while the remaining portion is held by C-Distribution Asia Pte. Ltd.

On 14 January 2014, the meeting of the Company's Board of Director passed the resolution to approve the investments in e-commerce business comprising as follows:

- a) Investment in C-Distribution Asia Pte. Ltd., which was incorporated and operated in Singapore to be the parties' investment vehicle for e-commerce business in the ASEAN region (initially for Thailand and Vietnam) and provide certain management and headquarter functions and financial support to its operating affiliates. This company has a registered share capital of Euro 4.5 million in which the Company holds 40 percent interest. On 15 January 2014, the Company paid for this investment of Euro 1.8 million or equivalent to approximately Baht 81 million.

- b) Investment in C Distribution (Thailand) Limited which was incorporated and operated in Thailand to operate the e-commerce business in Thailand. This company has a registered share capital of Baht 100 million. On 17 January 2014, the Company paid for this investment totaling Baht 30 million for 30 percent interest.

13.2 Details of share of loss from associates are set out below.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investments for the year ended 31 December	
	<u>2015</u>	<u>2014</u>
C Distribution (Thailand) Limited	-	30,000
C-Distribution Asia Pte. Ltd.	-	80,568
Total	-	110,568

Share of loss from investments in C-Distribution Asia Pte. Ltd. of approximately Baht 81 million for the year ended 31 December 2014, representing 1 percent of consolidated profit for the year, were calculated based on the financial statements which had not been audited by the auditor of the associated company.

### 13.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit (loss) for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
C Distribution (Thailand) Limited	100	100	478	463	891	572	508	320	(304)	(209)
C-Distribution Asia Pte. Ltd.	Euro 4.5 million	Euro 4.5 million	564	266	388	91	37	3	4	(5)

### 13.4 Investments in associates with capital deficit

The Company recognised share of losses from investments in associates, as listed below, until the value of the investments approached zero. Subsequent losses incurred by the associates have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of the associates. The amount of such unrecognised share of losses is set out below.

(Unit: Million Baht)

Company's name	Unrecognised share of losses			
	Share of losses for the year ended 31 December		Cumulative share of losses up to 31 December	
	2015	2014	2015	2014
C Distribution (Thailand) Limited	91	33	124	33
C-Distribution Asia Pte. Ltd.	121	14	135	14
<b>Total</b>	<b>212</b>	<b>47</b>	<b>259</b>	<b>47</b>

### 14. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014, which are land and building held for rent, is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>31 December 2015</b>		
Cost	28,636,211	15,283,759
Less: Accumulated depreciation	(12,633,068)	(5,498,887)
<b>Net book value</b>	<b>16,003,143</b>	<b>9,784,872</b>
<b>31 December 2014</b>		
Cost	27,836,469	14,501,475
Less: Accumulated depreciation	(11,648,857)	(4,901,434)
<b>Net book value</b>	<b>16,187,612</b>	<b>9,600,041</b>

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	16,187,612	16,284,648	9,600,041	9,413,994
Acquisitions	136,387	76,578	135,407	74,065
Transfer from property, plant and equipment - net	580,895	721,000	569,230	626,080
Disposals/written-off - net book value	(23,709)	(19)	(599)	(19)
Depreciation charged	(878,042)	(894,595)	(519,207)	(514,079)
Net book value at end of year	16,003,143	16,187,612	9,784,872	9,600,041

The fair value of the investment properties (including leasehold rights of investment properties) of the Company and its subsidiaries as at 31 December 2015 and 2014 were approximately Baht 59,272 million and Baht 53,805 million, respectively (The Company only: Baht 35,491 million (2014: Baht 32,498 million)) compared to net book value of the investment properties (including leasehold rights of investment properties) of the Company and its subsidiaries as at 31 December 2015 and 2014 of Baht 17,873 million and Baht 18,102 million, respectively (The Company only: Baht 10,918 million (2014: Baht 10,719 million)). Such net book value of leasehold rights of investment properties were included in "Leasehold rights" in the statement of financial position.

The fair value of the investment properties of which valuation were previously performed by an accredited independent valuer has been determined based on former valuation and updated with the level of net operating income and update of market conditions given by the internal appraiser. The fair value of the investment properties opened during the fiscal year 2015 has been determined by an accredited independent appraiser based on income approach. The key assumptions used in the valuation include yield rate, inflation rate, projected rent increases and vacancy rates, as well as other forecast parameters such as the duration of the leases. The appraisal relies on the theoretical hypothesis where the investment properties will be separated from the retail stores to value them as if they were fully independent.

As at 31 December 2015, certain investment property items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,914 million (2014: Baht 2,837 million) (The Company only: Baht 851 million (2014: Baht 824 million)).

As at 31 December 2015, two subsidiaries have land with easement to other companies for passageway, pathway, road, tunnel of approximately 5 rai 81.3 sq.wah (2014: 2 rai 3 ngan 89.3 sq.wah) since 1997, 2000 and 2015 without finite term. Their carrying value amounted to approximately Baht 36 million (2014: Baht 33 million).

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land	Land improvements	Leasehold improvements	Freehold and leasehold building and improvements	Furniture, fixture and office equipment	Utility systems	Vehicles	Construction in progress and projects under development	Total
<b>Cost values:</b>									
31 December 2013	5,963,736	219,922	2,859,563	16,187,229	13,559,409	10,917,576	1,175	1,616,121	51,324,731
Acquisition	125,500	97,734	79,512	69,292	646,207	150,064	-	2,072,655	3,240,964
Transfer in	52,976	54,050	123,168	1,026,078	400,458	597,834	-	-	2,254,564
Transfer from (to)									
investment properties	(107,076)	-	-	6,565	-	7,946	-	(628,149)	(720,714)
Transfer to intangible assets	-	-	-	-	-	-	-	(44,753)	(44,753)
Disposals/Transfer out/ Written off	-	-	(10,475)	(97)	(526,675)	(19,543)	(582)	(2,280,221)	(2,837,593)
31 December 2014	6,035,136	371,706	3,051,768	17,289,067	14,079,399	11,653,877	593	735,653	53,217,199
Acquisition	224,106	1,252	112,320	35,186	890,721	153,725	-	2,716,110	4,133,420
Transfer in	73,399	80,472	72,932	899,524	342,336	558,695	-	-	2,027,358
Transfer to investment properties	(110,901)	(5,268)	-	(154,000)	-	(91,022)	-	(335,047)	(696,238)
Transfer to intangible assets	-	-	-	-	-	-	-	(14,850)	(14,850)
Transfer to other assets	-	-	-	-	-	-	-	(2,805)	(2,805)
Disposals/Transfer out/ Written off	(19,664)	-	(5,457)	(1,425)	(425,773)	(13,721)	(66)	(2,027,766)	(2,493,872)
31 December 2015	6,202,076	448,162	3,231,563	18,068,352	14,886,683	12,261,554	527	1,071,295	56,170,212





	Consolidated financial statements							
	Land	Leasehold improvements	Freehold and leasehold building and improvements	Furniture, fixture and office equipment	Utility systems	Vehicles	Construction in progress and projects under development	Total
<b><u>Allowance for impairment loss:</u></b>								
31 December 2013	63,000	-	-	52,977	-	-	-	115,977
Decrease during the year	-	-	(4,977)	-	-	-	-	(4,977)
31 December 2014	63,000	-	-	48,000	-	-	-	111,000
Increase during the year	-	11,810	-	9,200	11,600	-	-	32,610
Decrease during the year	-	-	(4,790)	-	-	-	-	(4,790)
31 December 2015	63,000	11,810	43,210	9,200	11,600	-	-	138,820
<b><u>Net book value:</u></b>								
31 December 2014	5,972,136	235,450	1,557,184	3,103,655	4,725,544	199	735,653	26,042,702
31 December 2015	6,139,076	303,550	1,573,286	3,186,884	4,801,378	80	1,071,295	27,035,905
<b><u>Depreciation for the year:</u></b>								
2014 (Baht 42 million included in cost of sales and service, and the remaining balance in selling and services expenses, and administrative expenses)								2,594,155
2015 (Baht 116 million included in cost of sales and service, and the remaining balance in selling and services expenses, and administrative expenses)								2,484,196

(Unit: Thousand Baht)

	Separate financial statements								
	Land	Land improvements	Leasehold improvements	Freehold and leasehold building and improvements	Furniture, fixture and office equipment	Utility systems	Vehicles	Construction in progress and projects under development	Total
<b>Cost values:</b>									
31 December 2013	3,919,497	195,999	2,491,311	8,926,337	9,930,260	7,058,169	1,120	1,367,034	33,889,727
Acquisitions	125,500	97,734	79,512	68,978	642,695	144,822	2	2,065,625	3,224,868
Transfer in	52,976	54,050	123,168	966,969	345,911	550,292	-	-	2,093,366
Transfer from (to)									
investment properties	(107,076)	-	-	6,565	-	7,946	-	(533,229)	(625,794)
Transfer to intangible assets	-	-	-	-	-	-	-	(44,753)	(44,753)
Disposals/Transfer out/									
Written off	-	-	(10,422)	(97)	(369,347)	(9,989)	(582)	(2,119,024)	(2,509,461)
31 December 2014	3,990,897	347,783	2,683,569	9,968,752	10,549,519	7,751,240	540	735,653	36,027,953
Acquisitions	224,105	1,252	112,320	35,186	885,453	151,727	-	2,712,369	4,122,412
Transfer in	73,399	80,472	72,932	899,525	342,336	556,359	-	-	2,025,023
Transfer to investment properties	(108,092)	(5,251)	-	(126,396)	-	(77,135)	-	(333,984)	(650,858)
Transfer to intangible assets	-	-	-	-	-	-	-	(14,850)	(14,850)
Transfer to other assets	-	-	-	-	-	-	-	(2,805)	(2,805)
Disposals/Transfer out/									
Written off	-	-	(5,457)	(1,425)	(201,866)	(8,711)	(66)	(2,025,430)	(2,242,955)
31 December 2015	4,180,309	424,256	2,863,364	10,775,642	11,575,442	8,373,480	474	1,070,953	39,263,920

(Unit: Thousand Baht)

	Separate financial statements								
	Land	Land improvements	Leasehold improvements	Freehold and leasehold building and improvements	Furniture, fixture and office equipment	Utility systems	Vehicles	Construction in progress and projects under development	Total
<b><u>Accumulated depreciation:</u></b>									
31 December 2013	-	80,489	1,117,716	3,353,176	6,936,979	3,262,025	844	-	14,751,229
Depreciation for the year	-	32,976	199,624	312,568	1,057,841	444,525	98	-	2,047,632
Transfer from investment properties	-	-	-	18	-	268	-	-	286
Reclassification	-	-	82	(82)	-	-	-	-	-
Depreciation on disposals/ Transfer out/ Written off	-	-	(6,105)	(24)	(363,270)	(8,411)	(582)	-	(378,392)
31 December 2014	-	113,465	1,311,317	3,665,656	7,631,550	3,698,407	360	-	16,420,755
Depreciation for the year	-	9,779	135,504	343,893	1,056,803	481,310	91	-	2,027,380
Transfer to investment properties	-	(1,778)	-	(45,946)	-	(33,904)	-	-	(81,628)
Reclassification	-	-	-	-	(17)	17	-	-	-
Depreciation on disposals/ Transfer out/ Written off	-	-	(1,598)	(605)	(198,768)	(7,210)	(48)	-	(208,229)
31 December 2015	-	121,466	1,445,223	3,962,998	8,489,568	4,138,620	403	-	18,158,278

(Unit: Thousand Baht)

	Separate financial statements								
	Land	Land improvements	Leasehold improvements	Freehold and leasehold building and improvements	Furniture, fixture and office equipment	Utility systems	Vehicles	Construction in progress and projects under development	Total
<b><u>Allowance for impairment loss:</u></b>									
31 December 2013	63,000	-	-	-	-	-	-	-	63,000
31 December 2014	63,000	-	-	-	-	-	-	-	63,000
Increase during the year	-	-	11,810	-	9,200	11,600	-	-	32,610
31 December 2015	63,000	-	11,810	-	9,200	11,600	-	-	95,610
<b><u>Net book value:</u></b>									
31 December 2014	3,927,897	234,318	1,372,252	6,303,096	2,917,969	4,052,833	180	735,653	19,544,198
31 December 2015	4,117,309	302,790	1,406,331	6,812,644	3,076,674	4,223,260	71	1,070,953	21,010,032
<b><u>Depreciation for the year:</u></b>									
2014 (Baht 42 million included in cost of sales and service, and the remaining balance in selling and services expenses, and administrative expenses)								2,047,632	
2015 (Baht 116 million included in cost of sales and service, and the remaining balance in selling and services expenses, and administrative expenses)								2,027,380	

As at 31 December 2015, the Company had a building acquired under a finance lease agreement with net book value of approximately Baht 233 million (2014: 242 million).

As at 31 December 2015, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 13,182 million (The Company only: Baht 8,048 million) (2014: Baht 12,499 million and the Company only: Baht 7,532 million).

## 16. Leasehold rights

(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements
As at 31 December 2015:		
Cost	9,795,223	5,651,269
<u>Less:</u> Accumulated amortisation	(4,651,033)	(2,328,853)
Allowance for impairment	(26,957)	-
Net book value	5,117,233	3,322,416
As at 31 December 2014:		
Cost	9,104,339	5,418,013
<u>Less:</u> Accumulated amortisation	(4,296,232)	(2,119,693)
Allowance for impairment	(29,326)	-
Net book value	4,778,781	3,298,320

A reconciliation of the net book value of leasehold rights for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	4,778,781	5,058,135	3,298,320	3,455,224
Acquisitions	690,884	52,213	233,256	46,788
Amortisation charged	(354,801)	(333,936)	(209,160)	(203,692)
Decrease in allowance for impairment	2,369	2,369	-	-
Net book value at end of year	5,117,233	4,778,781	3,322,416	3,298,320

## 17. Other intangible assets

Other intangible assets which are computer software are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 31 December 2015:		
Cost	639,839	637,730
Less: Accumulated amortisation	(493,645)	(491,661)
Net book value	<u>146,194</u>	<u>146,069</u>
As at 31 December 2014:		
Cost	599,504	597,396
Less: Accumulated amortisation	(445,517)	(443,594)
Net book value	<u>153,987</u>	<u>153,802</u>

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	153,987	110,156	153,802	109,971
Acquisitions	32,826	47,538	32,826	47,428
Transfer of construction in progress from property, plant and equipment	14,850	44,753	14,850	44,753
Write-off - net book value	(2,850)	-	(2,850)	-
Amortisation charged	<u>(52,619)</u>	<u>(48,460)</u>	<u>(52,559)</u>	<u>(48,350)</u>
Net book value at end of year	<u>146,194</u>	<u>153,987</u>	<u>146,069</u>	<u>153,802</u>

As at 31 December 2015, certain intangible assets have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 368 million (2014: Baht 339 million) (The Company only: Baht 366 million (2014: Baht 338 million)).



## 18. Other non-current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Insurance claim receivable (Note 18.1)	415,257	415,257	415,257	415,257
Prepaid services	186,358	184,616	159,248	162,657
Rental guarantee	181,540	125,491	176,290	119,766
Deposits	11,365	55,608	11,365	55,578
Others	31,829	24,328	31,572	18,580
Total other non-current assets	<u>826,349</u>	<u>805,300</u>	<u>793,732</u>	<u>771,838</u>

### 18.1 Insurance claim receivable - Political unrest event

Due to the political unrest in Bangkok during April to May 2010, one store of the Company had faced a negative impact as a result of the fire incident on 19 May 2010. The damages from the fire incident are estimated to be approximately Baht 1,478 million which consist of damages to fixed assets of Baht 946 million (net from unclaimed portion), damage to inventory of Baht 96 million, business interruption loss of Baht 352 million and other damages of Baht 84 million. For all of the above stated damages, the management is virtually certain that there is insurance recovery for all of the losses and had therefore recorded the insurance recovery income in the financial statements in the same period.

During the year 2010 and 2011, the Company received cash recovery for the insurance claim totally approximately Baht 1,063 million. The Company recorded such advance as a reduction from insurance claim receivable.

As at 31 December 2015, insurance claim receivable from the political unrest event in the consolidated and separate financial statements was approximately Baht 415 million (2014: Baht 415 million).

## 19. Short-term loans from financial institutions

As at 31 December 2015, there was no outstanding short-term promissory note (2014: Baht 6,000 million).

Subsequently on 4 January 2016 to 9 February 2016, the Company issued the short-term promissory notes to three local financial institutions of Baht 7,070 million which carries interest at market rates with a maturity on call.

## 20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Related parties (Note 11)				
Trade payables	13,640	10,741	13,640	10,741
Other payables and accrued expenses	<u>225,317</u>	<u>227,434</u>	<u>1,009,171</u>	<u>1,522,666</u>
Total	<u>238,957</u>	<u>238,175</u>	<u>1,022,811</u>	<u>1,533,407</u>
Unrelated parties				
Trade payable	24,496,590	24,535,259	24,340,311	24,226,432
Payables from bill payment service	70,107	56,680	70,107	56,680
Other payables and accrued expenses	<u>3,513,958</u>	<u>4,033,611</u>	<u>3,400,758</u>	<u>3,902,154</u>
Total	<u>28,080,655</u>	<u>28,625,550</u>	<u>27,811,176</u>	<u>28,185,266</u>
Total trade and other payables	<u>28,319,612</u>	<u>28,863,725</u>	<u>28,833,987</u>	<u>29,718,673</u>

## 21. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	<u>2015</u>	<u>2014</u>
Long-term loans from financial institutions	11,975,000	18,650,000
Less: Current portion	<u>(5,675,000)</u>	<u>(4,675,000)</u>
Long-term loans, net of current portion	<u>6,300,000</u>	<u>13,975,000</u>

21.1 On 28 June 2012, the Company had entered into two long-term loan agreements for the purpose of refinancing the short-term loan for funding the business acquisition in 2011. The detail of the loan agreements are as follows:

- a) A loan agreement with three local financial institutions for total credit facilities of Baht 27,000 million for the period of 2-7 years. The loan carries interest at THBFIX 3 months or 6 months or BIBOR 3 months plus margin per annum. Repayment is to be made by a mixture of amortisation of annual installment, revolving promissory notes and full repayment at maturity. In 2012, the Company drew down Baht 19,000 million and repaid Baht 1,000 million. In 2013, the Company repaid another Baht 1,000 million. Subsequently, on 27 December 2013, the Company refinanced a partial facility and extended maturity date by entering into a supplement and amendment of existing long-term loan agreement with two local financial institutions. Under this agreement, there was a repayment of Baht 4,000 million by drawing down the full amount of the Baht 3,000 million new loans (as mentioned in 21.2) and using the Company's own funds of Baht 1,000 million. The Company repaid another Baht 1,000 million in 2014 and Baht 3,000 million in 2015. As at 31 December 2015, the balance of long-term loan was Baht 9,000 million (2014: Baht 12,000 million).

As at 31 December 2015, the credit facilities of the Company which have not yet been drawn down amounted to Baht 8,000 million (2014: Baht 8,000 million).

- b) A loan agreement with a local financial institution for credit facility of Baht 5,000 million for the period of 5 years. The loan carries interest at THBFIX 6 months plus margin per annum. Repayment is to be made in annual installments of Baht 675 million commencing from January 2013 to July 2017. The Company drew down the full amount in 2012. As at 31 December 2015, the balance of long-term loan was Baht 2,975 million (2014: Baht 3,650 million).

21.2 On 27 December 2013, the Company entered into a long-term loan agreement with a local financial institution for total credit facilities of Baht 3,000 million with a maturity of two years. The loan carries interest at THBFIX 6 months plus margin per annum. Repayment is to be made by full repayment at maturity. This facility is fully drawn during the year 2013. During the year 2015, the Company had fully paid such long-term loan. As at 31 December 2015, there was no outstanding balance of the long-term loan (2014: Baht 3,000 million).

The above long-term loan agreements are unsecured. Under the terms of the agreements, the Company must comply with certain conditions and restrictions stipulated in the agreements i.e. to maintain net debt to EBITDA ratio and to maintain net debt to equity ratio at the rate prescribed in the agreements.

Movements in long-term loans from financial institutions during years 2015 and 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 31 December 2013	20,325,000
Less: Repayment during year	(1,675,000)
Balance as at 31 December 2014	18,650,000
Less: Repayment during year	(6,675,000)
Balance as at 31 December 2015	11,975,000

## 22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial Statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Vat payable	945,400	946,242	900,069	919,046
Accrued property tax	643,121	593,001	426,714	408,800
Deferred income	264,315	248,800	254,338	242,251
Gift vouchers liabilities	208,585	182,690	208,584	182,690
Accrued withholding tax	132,674	57,294	127,066	50,687
Current portion of liabilities under a finance lease agreement (Note 23)	11,215	9,797	11,215	9,797
Others	51,741	42,369	60,432	50,550
Total other current liabilities	<u>2,257,051</u>	<u>2,080,193</u>	<u>1,988,418</u>	<u>1,863,821</u>

### 23. Liabilities under a finance lease agreement

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Liabilities under a finance lease agreement	309,593	330,100
Less : Deferred interest expenses	(71,776)	(82,501)
Total	237,817	247,599
Less : Portion due within one year (Note 22)	(11,215)	(9,797)
Liabilities under a finance lease agreement - net of current portion	226,602	237,802

The Company has entered into finance lease agreements with a company for rental of a department store for use in its operation, whereby it is committed to pay monthly rental at a fixed rental rate and at a percentage of sales and sublease revenue of the Company. The term of the agreement is 28 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2015			
	Less than	Over 5		Total
	1 year	1-5 years	years	
Future minimum lease payments	21	94	195	310
Deferred interest expenses	(10)	(35)	(27)	(72)
Present value of future minimum lease payments	11	59	168	238

(Unit: Million Baht)

	As at 31 December 2014			
	Less than	Over 5		Total
	1 year	1-5 years	years	
Future minimum lease payments	21	91	218	330
Deferred interest expenses	(11)	(37)	(34)	(82)
Present value of future minimum lease payments	10	54	184	248

## 24. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2015 and 2014, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Provision for long-term employee benefits at beginning of year</b>	453,713	387,504	441,805	377,230
Included in profit or loss:				
Current service cost	57,085	52,699	56,338	52,032
Interest cost	16,551	16,288	16,137	15,855
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	37,396	22,658	36,658	22,185
Experience adjustments	2,312	7,599	2,121	7,089
Benefits paid during the year	<u>(19,952)</u>	<u>(33,035)</u>	<u>(18,734)</u>	<u>(32,586)</u>
<b>Provision for long-term employee benefits at end of year</b>	<u>547,105</u>	<u>453,713</u>	<u>534,325</u>	<u>441,805</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of sales and service	484	-	484	-
Selling and service expenses and administrative expenses	<u>73,152</u>	<u>68,987</u>	<u>71,991</u>	<u>67,887</u>
Total expenses recognised in profit or loss	<u>73,636</u>	<u>68,987</u>	<u>72,475</u>	<u>67,887</u>

The Company and its subsidiaries expect to pay Baht 34 million of long-term employee benefits during the next year (Separate financial statements: Baht 33 million) (2014: Baht 34 million, separate financial statements: Baht 33 million).



As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 15 years (Separate financial statements: 15 years) (2014: 16 years, separate financial statements: 16 years).

Principal actuarial assumptions at the reporting date are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	% p.a.	% p.a.	% p.a.	% p.a.
Discount rate	3.1	3.8	3.1	3.8
Future salary increase rate	3.5 - 10	3.5 - 10	3.5 - 10	3.5 - 10

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.50%	0.50%	0.50%	0.50%
Discount rate	(27)	29	(27)	29
Salary increase rate	29	(27)	28	(27)

## 25. Other non-current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Retention payables	79,150	93,870	79,150	81,638
Deposits for rental and others	2,185,719	2,075,607	2,060,798	1,919,332
Total other non-current liabilities	<u>2,264,869</u>	<u>2,169,477</u>	<u>2,139,948</u>	<u>2,000,970</u>

## 26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 27. Other income

Other income mainly consists of advertising income which is charged to suppliers for the advertisements placed in the Company and its subsidiaries' brochures, service income arising from concession fee for in-store media, gain (loss) from disposals of property, plant and equipment and investment properties and interest income.

## 28. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Purchase of goods	99,247,784	102,480,021	99,016,261	102,145,238
Salaries and wages and other employee benefits	7,171,341	7,063,598	7,076,528	6,964,100
Utilities expenses	3,545,009	3,704,781	3,434,791	3,590,263
Depreciation expense	3,362,238	3,488,750	2,546,587	2,561,711
Inventory management	1,875,135	1,834,090	1,853,412	1,817,474
Professional and management fee	1,440,663	1,581,048	1,436,879	1,578,226
Rental and service expenses	1,842,732	1,783,752	3,700,324	3,571,869
Amortisation expenses	411,042	386,601	262,968	256,247
Other expenses	5,612,621	3,089,928	5,598,125	3,084,612
Total expenses	124,508,565	125,412,569	124,925,875	125,569,740

## 29. Income tax

29.1 Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax</b>				
Current income tax charge	1,571,845	1,767,026	1,225,797	1,516,834
Adjustments in respect of income tax of previous year	(24,810)	(12,660)	(24,337)	(12,607)
<b>Deferred tax:</b>				
Relating origination and reversal of temporary differences	74,186	1,510	91,460	26,183
Income tax expense reported in the income statement	1,621,221	1,755,876	1,292,920	1,530,410

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Income tax relating to actuarial losses charged directly to other comprehensive income	<u>(7,912)</u>	<u>(6,051)</u>	<u>(7,726)</u>	<u>(5,855)</u>

29.2 Reconciliation between of accounting profit and income tax expenses for the years ended 31 December 2015 and 2014 is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	<u>8,523,115</u>	<u>9,005,479</u>	<u>7,908,438</u>	<u>8,744,241</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,704,623	1,801,096	1,581,688	1,748,848
Recognition loss carry forward	(38,016)	(52,181)	-	-
Adjustment in respect of income tax of previous year	(24,810)	(12,660)	(24,337)	(12,607)
Non-taxable items	4,132	19,066	4,031	(3,260)
Tax effect of non-taxable dividend income	-	-	(244,992)	(200,792)
Tax effect of deductible items	(23,018)	-	(22,800)	-
Others	<u>(1,690)</u>	<u>555</u>	<u>(670)</u>	<u>(1,779)</u>
Income tax expenses reported in the income statement	<u>1,621,221</u>	<u>1,755,876</u>	<u>1,292,920</u>	<u>1,530,410</u>

29.3 As at 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Deferred tax assets</b>				
Allowance for doubtful debts	18,257	22,115	17,060	15,462
Allowance for diminution in value of inventory	96,218	87,239	94,361	85,605
Allowance for impairment of assets	39,679	34,589	19,122	12,600
Provision for suppliers' discounts	190,752	211,394	187,689	208,235
Provision for long-term employee benefits	109,421	90,742	106,865	88,361
Fair value adjustment of subsidiary's assets regarding business combination	83,186	90,037	-	-
Short-term provisions	9,646	9,273	4,608	4,647
Provision for customer loyalty program	4,825	3,683	4,825	3,683
Effect from long-term lease agreement	35,699	39,032	29,618	34,916
Liabilities under financial lease agreement	47,563	49,520	47,563	49,520
Cumulative loss carried forward	74,126	52,181	-	-
<b>Total</b>	<b>709,372</b>	<b>689,805</b>	<b>511,711</b>	<b>503,029</b>
<b>Deferred tax liabilities</b>				
Fair value adjustment of subsidiary's assets regarding business combination	(676,826)	(711,657)	-	-
Change in useful lives of assets	(730,316)	(607,730)	(366,762)	(272,431)
Insurance claim receivable	(168,135)	(168,135)	(168,135)	(168,135)
Assets under financial lease agreement	(46,576)	(48,490)	(46,576)	(48,490)
<b>Total</b>	<b>(1,621,853)</b>	<b>(1,536,012)</b>	<b>(581,473)</b>	<b>(489,056)</b>
<b>Net</b>	<b>(912,481)</b>	<b>(846,207)</b>	<b>(69,762)</b>	<b>13,973</b>

As at 31 December 2015, the subsidiary has unused tax losses of approximately Baht 79 million that will expire by 2016 and 2017 (2014: Baht 269 million) in which deferred tax assets have not been recognised as the subsidiary believes that future taxable profits may not be sufficient to allow the utilisation of the unused tax losses.

### 30. Earnings per share

Basic earnings per share are calculated by dividing the net income for the year of the equity holders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

### 31. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
Dividends from 2013 income	Annual General Meeting of the shareholders on			
	8 April 2014	2,103,750	2.55	May 2014
Total for 2014		<u>2,103,750</u>		
Dividends from 2014 income	Annual General Meeting of the shareholders on			
	8 April 2015	2,161,500	2.62	May 2015
Total for 2015		<u>2,161,500</u>		

### 32. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 and 5.5 percent of salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. Total contributions by the Company and its subsidiaries for the year 2015 amounted to approximately Baht 152 million (2014: Baht 144 million) and Baht 150 million for the Company (2014: Baht 142 million).

### **33. Financial information by segment**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Chief Executive Officer.

For management purposes, the Company and its subsidiaries are organised as business units based on their store formats and have two reportable segments as follows:

- 1) Hypermarket segment comprises large stores operated under Big C Supercenter, Big C Extra and Big C Jumbo trade names.
- 2) Small store segment consists of supermarkets operated under the name Big C Markets, community shops operated under the name Mini Big C and drugstores operated under the name Pure.

The Company and its subsidiaries have aggregated the retail and property business in their respective stores according to the above store formats as they share the same group of customers and are located in the same location. In addition, they also have similar economic characteristics that the chief operating decision maker makes a decision pertaining to investment and resources allocation and monitors performance of each store format by considering together the retail and property business.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries' financing activities (including finance costs and finance income), income taxes, other income and expenses are managed on a group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.



The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2015				
	Hypermarket	Small store format	Total segments	Report grouping differences and other adjustments	Consolidated
<b>Revenue</b>					
External customers	115,566,035	13,355,669	128,921,704	4,787,408	133,709,112
<b>Results</b>					
Segment profit (loss)	9,621,188	(43,458)	9,577,730	(377,184)	9,200,546
Finance cost					(677,431)
<b>Profit before income tax expenses</b>					8,523,115
Income tax expenses					(1,621,221)
<b>Profit for the year</b>					6,901,894
Depreciation and amortisation	3,206,700	501,400	3,708,100	65,180	3,773,280

(Unit: Thousand Baht)

	For the year ended 31 December 2014				
	Hypermarket	Small store format	Total segments	Report grouping differences and other adjustments	Consolidated
<b>Revenue</b>					
External customers	118,517,672	12,008,005	130,525,677	4,868,851	135,394,528
<b>Results</b>					
Segment profit (loss)	10,101,717	81,369	10,183,086	(201,127)	9,981,959
Share of loss from investments in associates					(110,568)
Finance cost					(865,912)
<b>Profit before income tax expenses</b>					9,005,479
Income tax expenses					(1,755,876)
<b>Profit for the year</b>					7,249,603
Depreciation and amortisation	3,308,300	524,100	3,832,400	45,320	3,877,720

The following table presents main assets consisting of investment property and property, plant and equipment of the operating segments:

(Unit: Thousand Baht)

	Hypermarket	Small store format	Total segments	Unallocated assets	Consolidated
Main assets as at					
31 December 2015	36,123,780	3,607,198	39,730,978	3,308,070	43,039,048
Main assets as at					
31 December 2014	36,480,487	3,141,478	39,621,965	2,608,349	42,230,314

### Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

### Major customers

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

## 34. Commitments and contingent liabilities

Commitments and contingent liabilities as at 31 December 2015 are summarised as follows:

### 34.1 Capital commitment

The Company and its subsidiaries were committed to obligations under agreements with several companies for the construction of office buildings, department stores and distribution center totaling approximately Baht 871 million (2014: Baht 762 million). (The Company only: Baht 871 million (2014: Baht 762 million)).

### 34.2 Operating lease commitments

- a) The Company and its subsidiaries entered into land lease, building lease and sub-lease agreements and service agreements with individuals, and other companies for the construction of office buildings and stores for periods ranging from one year to thirty years.

The future minimum lease payments required under non-cancellable lease agreements were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable within:				
Less than 1 year	737	669	2,683	2,565
1 to 5 years	2,368	1,933	1,277	1,235
More than 5 years	6,014	4,854	3,210	3,279
	<u>9,119</u>	<u>7,456</u>	<u>7,170</u>	<u>7,079</u>

In addition, the service agreements relating to land lease, building lease and sub-lease agreements that the future minimum lease payments required under non-cancellable agreements were as follows;

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable within:				
Less than 1 year	218	234	199	225
1 to 5 years	740	606	526	443
More than 5 years	1,415	1,360	816	929
	<u>2,373</u>	<u>2,200</u>	<u>1,541</u>	<u>1,597</u>

Under certain lease and sub-lease agreements, the Company and its subsidiaries have commitments to make rental or additional rental payment, at a percentage of sales and sublease revenue of the Company and its subsidiaries.

As at 31 December 2015, the Company and its subsidiaries have subleased part of the space under non-cancellable agreements and expects to receive sublease payments of approximately Baht 1,260 million (2014: Baht 70 million) (The Company only: Baht 62 million (2014: Baht 67 million)).

The above lease agreements stipulated certain covenants which the Company and its subsidiaries must comply.

- b) A subsidiary company entered into the land lease contract with a company. This agreement generally covers a period of 30 years, commencing from 17 July 1996. In consideration thereof, the Company and its subsidiaries agree to pay annual rental fee under the calculation by using initial land cost multiply by average Minimum Loan Rate of commercial banks.

- c) The Company entered into a Memorandum of Understanding to lease the shopping center with a company in Lao People's Democratic Republic for a period of twenty years, commencing from the soft opening of the mall and for another twenty years. The Company agrees to pay rental fees revenue sharing at the rate based on net sales.

### **34.3 Long-term service commitment**

- a) The Company entered into a logistics and distribution services agreement with a company resulting in a commitment to pay for the service fee based on total operating expense and management fee at a rate stipulated in the agreement.
- b) The Company entered into a technical assistance and management agreement with a related company resulting in a commitment to pay for the service fee on a quarterly basis. The term of agreement for 1 year commencing from 1 January 2012 and automatically be extended for a further term of 1 year. Subsequently, on 1 January 2014 the Company and the related company entered into amendment agreement to extend term of service for one further year until 31 December 2014. The agreement was terminated effectively on 30 June 2014.

Subsequently, the Company entered into a management agreement with another related company resulting in a commitment to pay for the service fee on monthly basis at a rate stipulated in the agreement. The term of agreement for is 1 year commencing from 1 July 2014 and automatically be extended for a further term of 1 year.

### **34.4 Guarantees**

The Company and its subsidiaries had outstanding guarantees of approximately Baht 1,332 million (2014: Baht 531 million) (The Company only: Baht 1,317 million) (2014: Baht 491 million)) as issued by the banks on behalf of the Company and its subsidiaries for the government agencies in respect of guarantee for electricity usage and others as required in the normal course of business.

### **34.5 Uncalled portion of investments**

The Company and its subsidiaries have outstanding commitment in respect of uncalled portion of investment in subsidiaries of approximately Baht 1,301 million and USD 4 million (2014: Baht 1,301 million and USD 4 million) (The Company only: Baht 559 million and USD 4 million (2014: Baht 559 million and USD 4 million)).

### 34.6 Litigation

The Company and its subsidiaries have been sued by other entities as co-defendant for breach of contracts, penalty claim and other cases in which the cases are currently being considered by the Civil Court. Furthermore, the Company and its subsidiaries have been sued by certain individuals. The management believes that the Company and its subsidiaries will receive favorable ruling for the cases. However, for prudent reason the Company and its subsidiaries have set up certain provision for litigation in its accounts.

### 35. Debentures

On 10 November 2003, the Extraordinary shareholder's meeting had passed the resolution to approve the issuance of debentures of not exceeding Baht 3,000 million or in other currency with the equivalent amount due within 6 years. The debenture will be sold to specific investor and or public in accordance with the regulation of the Securities and Exchange Commission. However, as at 31 December 2015 and 2014 the Company has not issued debentures under the above resolution.

### 36. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets that were disclosed at fair value using levels of inputs as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	Level 3	Total
<b>Assets for which fair value are disclosed</b>		
Investment property and leasehold rights	59,272	59,272
	(Unit: Million Baht)	
	Separate financial statements	
	Level 3	Total
<b>Assets for which fair value are disclosed</b>		
Investment property and leasehold rights	35,491	35,491

## **37. Financial instruments**

### **37.1 Financial risk management**

The Company and its subsidiary companies' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, supplier receivables and tenant, loans to associate companies, accounts payable and loans from subsidiary companies. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company and its subsidiary companies are exposed to credit risk primarily with respect to trade accounts receivable, supplier receivables and tenant and loans to associate companies. They manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, they do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, supplier receivables and tenant, and loans to associate companies, stated in the statement of financial position.

#### ***Interest rate risk***

The Company and its subsidiary companies are exposed to interest rate risk related primarily to their cash and cash equivalents, trade accounts receivable, supplier receivables and tenant, loans to associate companies, accounts payable, loans from subsidiary companies, and loans from financial institutions.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2015					
	Fixed interest				
	rate over	Floating	Non-interest	Total	Effective
	5 years	interest rate	bearing		interest rate
					(% p.a.)
<b>Financial Assets</b>					
Cash and cash equivalent	-	157	2,211	2,368	0.15 - 1.00
Trade and other receivables	-	-	240	240	-
Supplier receivables and tenant receivables	-	-	3,138	3,138	-
Loan to associate companies	-	351	-	351	Interest rate cost plus margin
	-	508	5,589	6,097	
<b>Financial liabilities</b>					
Trade and other payables	-	-	28,320	28,320	-
Long-term loans from financial institutions	-	11,975	-	11,975	THBFIX 6 months plus margin
Liabilities under finance lease agreement	238	-	-	238	4.41
	238	11,975	28,320	40,533	

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2014					
	Fixed interest				
	rate over	Floating	Non-interest	Total	Effective
	5 years	interest rate	bearing		interest rate
					(% p.a.)
<b>Financial Assets</b>					
Cash and cash equivalent	-	9,466	1,948	11,414	0.13 - 1.75
Trade and other receivables	-	-	227	227	-
Supplier receivables and tenant receivables	-	-	3,206	3,206	-
Loan to associate company	-	84	-	84	Interest rate cost plus margin
	-	9,550	5,381	14,931	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	6,000	-	6,000	Market rates
Trade and other payables	-	-	28,864	28,864	-
Long-term loans from financial institutions	-	18,650	-	18,650	THBFIX 6 months plus margin
Liabilities under finance lease agreement	248	-	-	248	4.41
	248	24,650	28,864	53,762	



(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2015				
	Fixed interest	Floating	Non-interest	Total	Effective
	rate over 5 years	interest rate	bearing		interest rate (% p.a.)
<b>Financial Assets</b>					
Cash and cash equivalent	-	115	2,160	2,275	0.15 - 1.00
Trade and other receivables	-	-	679	679	-
Supplier receivables and tenant receivables	-	-	2,942	2,942	-
Loan to associate companies	-	351	-	351	Interest rate cost plus margin
	-	466	5,781	6,247	
<b>Financial liabilities</b>					
Trade and other payables	-	-	28,834	28,834	-
Short-term loans from subsidiary companies	-	3,543	-	3,543	3.34 - 3.52
Long-term loans from subsidiary company	-	1,746	-	1,746	Maximum long- term interest rate of the Company
Long-term loans from financial institutions	-	11,975	-	11,975	THBFIX 6 months plus margin
Liabilities under finance lease agreement	238	-	-	238	4.41
	238	17,264	28,834	46,336	

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2014				
	Fixed interest				Effective
	rate over 5 years	Floating interest rate	Non-interest bearing	Total	interest rate (% p.a.)
<b>Financial Assets</b>					
Cash and cash equivalent	-	9,430	1,905	11,335	0.13 - 1.75
Trade and other receivables	-	-	656	656	-
Supplier receivables and tenant receivables	-	-	3,181	3,181	-
Loan to associate company	-	84	-	84	Interest rate cost plus margin
	-	9,514	5,742	15,256	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	6,000	-	6,000	Market rates
Trade and other payables	-	-	29,719	29,719	-
Short-term loans from subsidiary companies	-	2,431	-	2,431	3.07 - 3.52
Long-term loans from subsidiary company	-	1,746	-	1,746	Maximum long- term interest rate of the Company
Long-term loans from financial institutions	-	18,650	-	18,650	THBFIX 6 months plus margin
Liabilities under finance lease agreement	248	-	-	248	4.41
	248	28,827	29,719	58,794	

### Foreign currency risk

The Company and its subsidiaries have exposure in foreign currency rates related to revenues and administrative expenses from/to the related parties that are denominated in foreign currency.

As at 31 December 2015, The Company and its subsidiaries had the following financial assets and financial liabilities denominated in foreign currency that have not been hedged.

(Unit: Thousand)

Foreign currency	Consolidated and separate financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities		2015	2014
	2015	2014	2015	2014		
					(Baht per foreign currency)	
US Dollar	241	153	-	-	36.0886	32.9630
Euro	1,830	-	4,316	3,661	39.4388	40.0530

### 37.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary companies financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial positions.

### 38. Capital management

The primary objectives of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 1.03:1 (2014: 1.44:1) and the Company's was 1.18:1 (2014: 1.63:1).

### 39. Events after the reporting period

39.1 On 8 February 2016, the Company has been informed that Géant International BV, a major shareholder of the Company, has entered into an agreement with TCC Corporation Limited, in respect of the sale and purchase of 483,077,600 shares in the Company, both directly and indirectly, representing 58.56 percent of the total issued shares in the Company. The completion of the sale is expected to occur by 31 March 2016.

39.2 On 9 February 2016, the Company's Board of Director's meeting passed a resolution as follows:

- Approve a dividend for 2015 of Baht 2.62 per share, or a total sum of approximately Baht 2,162 million. The dividend will be paid to the shareholders on 23 May 2016 and will be recorded in the second quarter of 2016. The dividend payment is subject to the approval of the Annual General Meeting of the Shareholders.
- Approve additional shareholder loan facilities for two associate companies of totaling Baht 200 million.

### 40. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2014 have been reclassified to conform to the current period's classification with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Other current assets	914,138	1,329,395	842,466	1,257,723
Other non-current assets	805,300	390,043	771,838	356,581

#### **41. Approval of financial statements**

The financial statements were authorised for issuance by the authorised directors on 9 February 2016.

# Management's Discussion and Analysis

## General

### Business environment

Year 2015 started with higher hopes after a challenging 2014. It did not however deliver the recovery many might have hoped for, as the Thai economy faced still various internal and external headwinds ranging from high household debt levels to slow Government budget spending at the earlier part of the year, and from low agricultural prices to sluggish global economy impacting Thai exports which ended year down by 5.78%. On top of these challenges Thailand faced additional issues such as draught conditions in parts of the country, and a temporary disruption to otherwise improving tourist arrivals from the deadly Erawan shrine bombing in mid-August. The hopes were however lifted in later part of the year with Government's new economic team announcing fresh stimulus packages targeting the "grassroots" consumers especially through small soft loans dispersed through thousands of village funds, and in effort to stimulate the year end spending "The Shopping for Nation Campaign" offered a temporary tax break for holiday shoppers. These positive news and expectations for signs of economic recovery materializing in 2016 were credited for increasing consumer confidence index which after 9 straight months of decline started to pick up in October and increased for last three months of the year ending at 76.1 points in December.

### Operations

We started the year with strong focus on five key pillars to reinforce our positioning as "The Marketplace at the Heart of the Community". These pillars, our actions, and achievements during the year were:

#### **Omni-channel model and strong dual retail-property model:**

During the year we continued working with our different store formats, and further integrated our online offer with our physical stores, executing our plans as intended. For example, we did a lot of work with adjusting Mini Big C offer by adding more ready-to-eat and convenience range to our offer. We opened online order pick-up points to our stores for Big C Shopping online and Cdiscount. We strengthened our existing store network as every one of our hypermarkets has been, or will be, touched through space-reflow, right-sizing or full scale renovation thus improving existing assets (called "Alcudia") and increasing our resilient rental income.

#### **Price leadership, cost efficiency and operational excellence:**

We maintained our price leadership position in a competitive market place as during the year we took a big step in repositioning our customer offer, with a better balance between item and price and coupon. This undoubtedly caused us some short term pain, especially through third quarter and the first two months of fourth quarter, but this is right thing to do to drive sales and margin; as demonstrated by the improvement in our like-for-like performance in December 2015 and the further strengthening of both sales and margin in January 2016 with positive like-for-like sales and volume growth. In order to be able to maintain our price leadership we have been working a lot on various cost efficiency and operational excellence initiatives during the year and for full year we were able to reduce our SG&A costs by -2.1% and SG&A-to-Sales ratio by -5 basis points. For example we completed our multi-year supply chain revamp in mid-year with opening of new state-of-the-art fresh food facility.

**Customer service excellence:** We further improved our customer service excellence and developed a number of exciting new business initiatives during the year. For example: We laid out the groundwork for a loyalty coalition program that in future will help us to deliver more powerful loyalty proposition to the Thai market and improve customer targeting. Our partnership with Thailand Post deepened with opening of Thailand's first iBox - automatic parcel box service at Big C Supercenter Suwintawong branch, bringing additional service to our customers, and we are in process to extend our e-commerce business into neighboring countries starting from Cambodia. At late 2015 we also started exploring opportunities with Happy Fresh to bring our fresh food offer available for online shoppers. We also received recognition during the year, as on fourth year in a row we were awarded the Most Favorite Hypermarket: No 1. Brand Thailand Award 2015 from Marketeer Magazine and Video Research International.

**Continued expansion:** We started building up our hypermarket expansion pipeline and ramped up our smaller format stores expansion during the year. Our 2 hypermarket and 18 Big C Market openings were in line with our target but 67 Mini Big C stores opened fell short from our original target of about 100 stores due to delays in getting some of the planned sites.

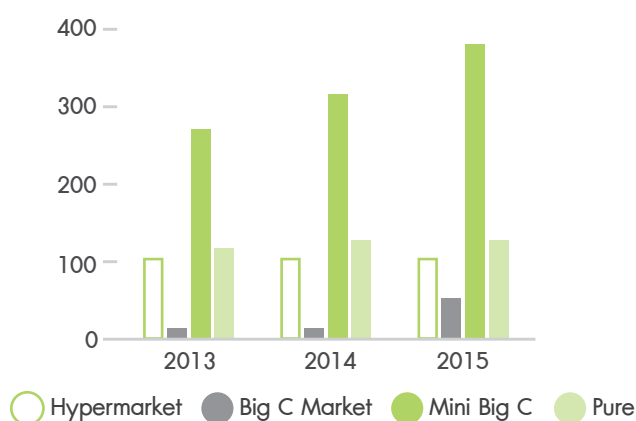
**Community focus:** Throughout the year, we have ran numerous CSR initiatives while maintaining the successful community-centric programs. Big C's contract farming agreement allow us to support local producers in a way that we purchase agricultural produce directly from local farmers and develop marketing segment. The program provides sustainable income to local communities, promotes better quality of life and offers a variety of fresh food choices for Big C's customers everyday. Our bottom-up CSR program of "Joining Hands for Better Community" has also reached its third year of successful cooperation between the Ministry of Interior, Big C stores and local communities. Reflecting the actual needs of the local, the potential sustainable development projects will go through the public voting process, then the winning projects are to be funded by Big C and carried out during the year.

## Business of Big C

Over the years we have evolved from hypermarket operator into an omni-channel retailer with strong dual retail-property model. This allows us to serve our customers through our various and connected store formats - physical stores as well as online offerings - while our town center tenants complement our store offerings and provide stability to our income. Our stores serve customers from all income groups from high to low. We are considered as price leader in Thailand and by controlling our costs and improving our operational efficiencies, we can deliver our price leadership while still sustaining our profitability.

**Retail:** Even that hypermarket format continues to be our main source of retail sales, we operate in various connected store formats including Big C Supercenter and Big C Extra hypermarkets, Big C Jumbo hybrid store, Big C Market supermarkets, Mini Big C proximity stores, online offering, and various specialty store under development such as Pure drugstores. Our store expansion continued during the year in all formats with the opening of 2 hypermarkets, 18 Big C Market stores, 67 Mini Big C stores (63 in Bangchak service stations), and 14 Pure drugstores. This compares to our 2014 expansion of 4 hypermarkets, 7 Big C Market stores, 46 Mini Big C stores, and 20 Pure drugstores, and 2013 expansion of 6 hypermarkets, 12 Big C Market stores, 153 Mini Big C stores, and 41 Pure drugstores. At the end of 2015 our store network consisted of 125 large format stores (Big C Supercenter, Extra, and Jumbo), 55 Big C Market, 391 Mini Big C (154 in Bangchak service stations), and 163 Pure Drugstores.

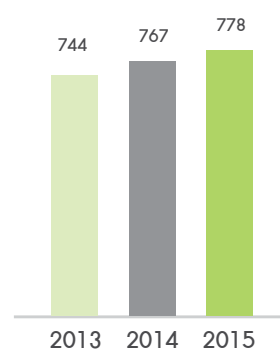
### Number of stores at the end of year



**Rental:** Big C is operated under strong dual retail-rental model. Our tenants complement our store offering, and as majority of rents our tenants pay us are fixed, rental income offers us stability to our income. Rental areas at our Hypermarkets and Big C Market stores are our main sources of rental income with other formats such as Mini Big C having very limited rental income contribution. During the year all new hypermarket and Big C Market stores had rental areas and at the end of the year the total rental area reached c.778,000 sqm, up from c.767,000 sqm in 2014, and c.744,000 sqm in 2013.

### Rental area

(Hypermarket and Big C Market in thousand sqm)



For more information about our financial performance please refer to following financial analysis section.

## Outlook for 2016

At the beginning of the year we believe that we have passed the bottom of economic downturn, however having said that we still don't think that the recovery will be particularly fast in 2016. Many challenges facing Thai economy still remain in place ranging from high household debt levels to low agricultural prices and to sluggish global economic recovery which in turn may impact exports, the main driver of Thai GDP growth. There are also some positive points for the year as Thai government seems to be determined to target the "grassroots" consumers through stimulus packages and its mega project spending is expected to materialize during 2016. Consumer confidence index also gave year end 2015 a positive note, increasing last three months of the year,

however it is still worthwhile to bear in mind that the December's 76.1 points is still at low level and if consumers' expectations regarding economic recovery don't materialize the upward trend may not continue. In this environment we will keep following our proven and resilient strategy, which carried us through 2015, in order to secure our bottom line performance even if the economic recovery will leave more to be desired. We will keep placing our customers first and will continue focusing on "item and price", whilst at the same time maintaining tight financial disciplines and a strong balance sheet. In coming year we are also going to get more help from new retail and rental space as we are ready to ramp-up our expansion and renovations, adding significant space to our portfolio during the year. In addition to space growth our completely overhauled supply chain should help us to improve our inventories and working capital efficiency.

## Financial Analysis

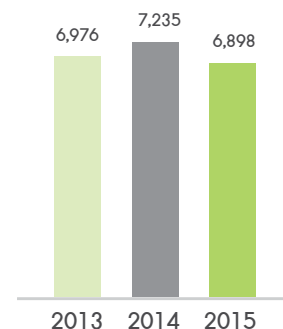
We are pleased to report the results of Big C and our subsidiaries ("the Company") for the full year 2015 that have been examined by our auditors and have received unqualified opinion which means that in auditor's opinion they present fairly the financial position of the Company. Also please note that our consolidated financial statements include the financial statements of Big C Supercenter Public Company Limited, and the various subsidiary companies<sup>1</sup>. The Company did not adopt any new accounting policies during the year. Please refer to Note 4 in Notes to Financial Statements for more information regarding our significant accounting policies, and to Note 4.7 to find more information about useful lives.

### Income Statement

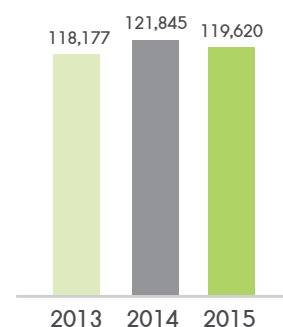
The operating results of the Company for the year ended 2015 reflected the operating profit of Baht 9,201 million, a decline of Baht 781 million or 7.8% over the same period in 2014. When compared to same period in 2013, this performance represents a decrease of Baht 344 million or 3.6%. The Company's net profit for the year amounted to Baht 6,898 million, compared to a net profit of Baht 7,235 million over the same period in 2014, which represents a decrease of Baht 337 million, or 4.7%. When compared to same period in 2013, this performance represents a decrease of Baht 78 million or 1.1%. These results, while not completely reaching our original full year 2015 expectations, are satisfactory as they reflect the challenging economic conditions during the year, impacting especially the non-food segment sales, whilst our core food sales and rental and service performance continued resilient performance. We also continued our successful cost optimization and productivity enhancement initiatives and in the end managed to reduce our SG&A costs even with declining retail sales. This year's performance is based on the following items:

#### Net Income

(After minority interest, in THB million)



#### Retail Sales (In THB million)



#### 1. Net Sales

Net sales in 2015 amounted to Baht 119,620 million for the Company, which represented a decrease of Baht 2,224 million, or 1.8% over the same period in 2014. When compared to 2013 the increase was Baht 1,443 million or 1.2%. Retail sales decline in 2015 was mainly driven by declining same-store-sales evolution as although our core food segment continued its steady performance, despite being impacted by continued food price deflation, with positive food volume growth and only slight negative like-for-like performance for the year, our non-food sales remained challenging and dragged down our full year 2015 like-for-like performance to -3.0%.

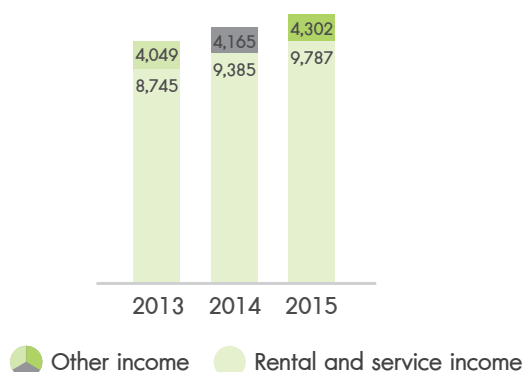
<sup>1</sup> For complete list of subsidiaries included in consolidated financial statements please refer to Notes to Financial Statements note 2.2



## 2. Rental and Service Income from tenants

Rental and Service Income from tenants amounted to Baht 9,787 million in 2015 which represented an increase of Baht 402 million or 4.3% over the same period in 2014. When compared to 2013 the increase is Baht 1,042 million or 11.9%. This increase was mainly the result of successful management of lettable space, additional lettable space from 20 new shopping malls opened during 2015, full impact from 11 new shopping malls opened in 2014, and the maintained high occupancy rate.

### Rental and Other Income



## 3. Other Income

Other Income, which includes various sources of income such as advertising income from suppliers for the advertisements placed in the Company's brochures, in store media concessions from allocating space in stores for third party to manage advertising, cash discounts received from suppliers, compensation income, after sale service income, gain or loss from disposals of property, plant and equipment and investment property, and interest income, amounted to Baht 4,302 million in 2015. This represented an increase of Baht 137 million or 3.3% over the same period in 2014. When compared to 2013 the increase is Baht 253 million or 6.2%.

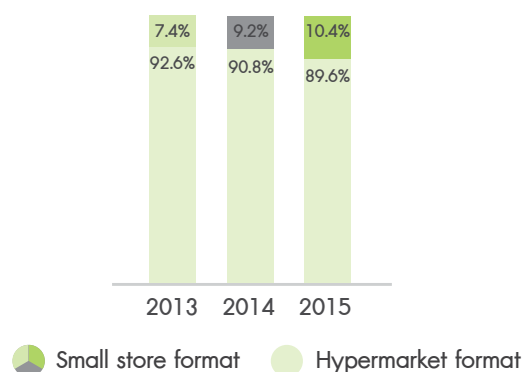
## 4. Segment performance

Starting from 2013 the Company has been reporting its segment performance. Operating segment information is reported in a manner consistent with our internal reports that are regularly reviewed by our Chief Executive Officer in order to make decisions about the allocation of resources to the segment and assess its performance. For management purposes, the Company are organized as business units based on their store formats and have two reportable segments:

1. Hypermarket segment which include Big C Supercenter, Big C Extra and Big C Jumbo stores, and
2. Small store segment including Big C Market, Mini Big C and Pure drugstores.

During 2015 large store segment contributed Baht 115,566 million or 89.6% of total segment revenues, down from 90.8% in 2014 and 92.6% in 2013. While small store segments contribution to total segment revenues grew to Baht 13,356 million or 10.4% in 2015 from 9.2% in 2014 and 7.4% in 2013. The growth in small store segment is due to a continued expansion particularly in Big C Market and Mini Big C formats with opening of 18 Big C Market and 67 Mini Big C in 2015 and 7 Big C Market and 46 Mini Big C in 2014.

### Total segment revenues



**E-commerce business:** In early 2014 our Board of Directors meeting passed a resolution to approve investment into a pure e-commerce business, and so on the Company subsequently invested into an exciting Cdiscount partnership. The investments in associates are consolidated under equity method. During 2015 we did not recognize any Share of Loss from Investment in Associate as the accumulated losses are greater than our equity investment. Subsequent losses incurred by the associates have not been recognized in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of the associates. The amount of such unrecognized share of losses in 2015 was 212 million baht. This compares to 2014 when our Share of Loss from Investments in Associates amounted to 110.6 million baht and unrecognized loss to 47 million baht. It is normal for this type of business to have a loss during the early period as they have to invest into infrastructure and the promotions to drive traffic to the site. Please refer to Note 13 in Notes to Financial Statements for more information regarding investments in associates.

## 5. Gross Profit

Gross Profit in 2015 stood at Baht 16,446 million a decrease of Baht 1,779 million or 9.8% over the same period in 2014. When compared to 2013 the decrease is Baht 1,241 million or 7.0%. This decline was mainly driven by sales mix change as we saw increasing sales contribution from food categories especially in commodities and value items whilst non-food sales contribution declined and the intensive competitive environment during the year as all market players were trying to stimulate customer spending during sluggish economic environment.

## 6. Selling and Administration Expenses

Selling and Administration Expenses amounted to Baht 21,335 million in 2015 which represented a decrease of Baht 458 million or 2.1% over the same period in 2014. The decrease is mainly due to our continued cost optimization initiatives on various areas enabling us to control our costs and reduced expenses in personnel, utilities, and lower depreciation and amortization expense. When compared to 2013 the Selling and Administration Expenses increase by Baht 399 million or 1.9%.

## 7. Finance cost

Finance cost for 2015 amounted to Baht 677 million which represented a decrease of Baht 188 million or 21.8% over the same period in 2014. When compared to 2013 the decrease was Baht 376 million or 35.7%. This decrease is mainly driven by debt repayments as we repaid Baht 6,000 million of short term loans and Baht 6,675 million of long term loans during 2015, and due to low interest rate environment as all our debts are floating.

## 8. Corporate income tax

The Company's corporate income tax for 2015 amounted to Baht 1,621 million, a decrease of Baht 135 million or 7.7% over the same period in 2014. This decrease is mainly driven by decreasing revenues and from slightly lower effective tax rate of 19.0% in 2015, while 2014 effective tax rate of 19.5%. When compared to 2013 the income tax increased by Baht 119 million or 7.9%. The reason for this increase is due to a one-off effect from the liquidation process of one of the Company's subsidiaries during Q3 2013 which lead to lower effective tax rate of 17.7% for the full year 2013.

## Statement of Financial Position

### Total Assets:

As of December 31, 2015, the Company had total assets of Baht 94,571 million, representing a decrease of Baht 8,207 million or 8.0% when compared to the year 2014 and a decrease of Baht 2,593 million or 2.7% when compared to year 2013. The decreases were mainly due to lower cash and cash equivalents at the end of the years as the Company significantly reduced its debt level through debt repayments during the years.

### Total Liabilities:

As of December 31, 2015, the Company had total liabilities of Baht 47,900 million at the end of December 2015, representing a decrease of Baht 12,731 million or 21.0% compared to 2014, and a decrease of Baht 12,226 million or 20.3% when compared to 2013. This decrease was mainly driven by debt

repayments as we repaid Baht 6,000 million of short term loans and Baht 6,675 million of long term loans during 2015, and repayment of Baht 1,675 million of long term loans during 2014. The total trade accounts and other payables decreased slightly by Baht 544 million or 1.9% from the same period in 2014, and increased by Baht 1,322 million or 4.9% from the year 2013. Deferred tax liabilities increased slightly by Baht 85.8 million or 5.6% from 2014 and by Baht 163.6 million or 11.2% from 2013.

### Cash Flow:

Big C's Net Cash Flows from Operating Activities amounted to Baht 11,387 million for 2015, representing a decrease of Baht 259 million or 2.2% from 2014. This decrease was driven by lower profit before tax as our sales were impacted by sluggish economic environment and lower gross profit margin. When compared with 2013 Net Cash Flows from Operating Activities increased by Baht 1,315 million or 13.1%. For the year 2015 Big C's Net Cash Flows Used in Investing Activities increased to Baht 5,576 million, representing an increase of Baht 1,966 million or 54.5% from 2014. This increase was mainly driven by our increased store expansion and renovations, and completion of our new fresh food distribution center during the year. When compared with 2013 Net Cash Flows Used in Investing Activities decreased by Baht 1,581 million or 22.1% due to slower store expansion. For the year 2015 Big C's Net Cash Flows Used in Financing Activities amounted to Baht 14,857 million for the year, representing an increase of Baht 11,059 million or 291% from 2014, and an increase of Baht 10,336 million or 228.6% from 2013. This increase was mainly driven by debt repayments as we repaid Baht 6,000 million of short term loans and Baht 6,675 million of long term loans during 2015.

Selected Financial Ratios	2015	2014	2013
Average inventory days	40	37	34
Average account payable days	101	98	98
Average account receivable days	1	1	1
Current ratio	0.5	0.7	0.6
Debt to equity ratio	0.3	0.6	0.7
Operating cash flow ratio	0.29	0.29	0.27
Interest coverage	13.6	11.4	9.1
Total liabilities to shareholder equity	1	1.4	1.6
Gross profit margin	13.7%	15.0%	15.0%
Operating profit margin	7.7%	8.2%	8.1%
Net profit margin	5.8%	5.9%	5.9%
Return on equity	15.5%	18.3%	20.2%
Return on assets	7.0%	7.2%	7.3%
Total assets turnover	1.2	1.2	1.2
Earnings per share	8.36	8.77	8.46
Dividend per share	2.62	2.62	2.55
Net book value per share	56.6	51.1	44.9

**Average inventory days and account payable days:**

The effective working capital management is important for the Company and in 2015 its average account payable days were 101 days, which compares to 98 days in 2014 and 98 days in 2013. Over the same time period the average inventory days have increased to 40 days in 2015 from 37 days in 2014 and 34 days in 2013. Although the absolute inventory value was at lower at the end of 2015 when compared to 2014, our sales declined faster than our average inventory level did, leading to increased inventory days. However as our average account payable days increase by 3 days, the net impact to our cash conversion cycle was flat from 2014, which represents good working capital management during sluggish economic environment.

**Current ratio and debt-to-equity ratio:**

The Company has been gradually reducing its gearing over the years since the acquisition of the Carrefour's Thailand operations. In 2015 the Company's current ratio was 0.5 times as of 31 December 2015. This compares with 0.7 times in 2014 and 0.6 in 2013. This decrease in current ratio is due to a loan tranche moving into the current portion of long term loans at the end of 2015, and from long term debt repayments during 2015 as we repaid Baht 6,675 million of long term, which in turn caused lower cash and cash equivalents at the end of 2015 when compared to 2014. However if we take a look at the Company's debt-to-equity ratio (using interest bearing debt) we can see that it has been significantly reduced over the years, reaching 0.3 times at the end of 2015, down from 0.6 times in 2014, and 0.7 times in 2013. This is due to the continued gradual debt repayment over the years. Also when we examine the Company's interest coverage ratio we can see that we can comfortably cover our interest expenses from our EBIT as the ratio has been steadily increasing, reaching 13.6 times at the end of 2015, up from 11.4 times in 2014, and 9.1 times in 2013 due to reduced debt level and low interest rate environment.

**Total liabilities to shareholders equity:**

As of 31 December 2015, the capital structure of the Company was composed of total liabilities in the amount of Baht 47,900 million and total shareholders' equity of Baht 46,671 million. The ratio of total liabilities to shareholders equity was 1.0 times at the end of 2015, down from 1.4 times in 2014, and 1.6 times in 2013. The decrease is largely due to a decrease in liabilities from the continued repayment of the loan used to acquire Carrefour Thailand operations in 2011.

**Profitability ratios:**

For the internal benchmarking purposes the Company is particularly concentrated on its operating margin. In 2015 it used operating margin of 8.2%, which it achieved in 2014, as

a benchmark for the year. This was not an easy comparison due to the challenging economic situation in 2015 impacting especially on higher margin non-food sales. Our gross profit margin declined to 13.7% for 2015, representing a decrease of -121 basis points from 2014 and a decrease of -122 basis points from 2013. This decrease was mainly driven by sales mix change as we saw increasing sales contribution from food categories especially in commodities and value items whilst non-food sales contribution declined and the intensive competitive environment during the year as all market players were trying to stimulate customer spending during sluggish economic environment. Whilst our SG&A expenses declined, the decline was not enough to completely offset the drop of gross profit, leading to decreasing operating profit margin which reached 7.7% for the year, representing a decrease of -50 basis points from 2014 and a decrease of -39 basis points from 2013. At the bottom line the year-on-year decline was still less as our finance costs have been declining over the years due to continued debt repayment and low interest rate environment. For 2015 our net income margin reached 5.8%, representing a slight decrease of -17 basis points from 5.9% reached in 2014, and -14 basis points from 5.9% reached in 2013.

**Return on equity and return on assets:**

The Company's shareholders' equity has grown over the years due to increased retained earnings, and it amounted to Baht 46,671 million at the end of December 2015, up from Baht 42,146 million in 2014 and Baht 37,038 million in 2013. This together with slightly declining net income reaching Baht 6,898 million for 2015, down from Baht 7,235 million in 2014 and Baht 6,976 million in 2013 has led to a declining trend of return of equity as we recorded 15.5% in 2015, down from 18.3% in 2014 and 20.2% in 2013. However if we look return on assets we can see relatively less impact as we recorded 7.0% in 2015 down from 7.2% in 2014 and 7.3% in 2013.

**Earnings and book value per share:**

The Company's earnings per share performance has been impacted by continued challenging economic environment causing declined sales level and impacting the Company's gross profit margin through the sales mix changing more towards from food categories especially in commodities and value items whilst non-food sales contribution declined. This has also lead to more intensive competitive environment during the year as all market players were trying to stimulate customer spending during sluggish economic environment. So on for 2015 the Company's earnings per share declined to Baht 8.36 per share for 2015, down from Baht 8.77 per share in 2014, and Baht 8.46 per share in 2013. However at the same time the Company's net book value per share has been increasing over the same period due to increasing shareholders equity from retained earnings, and it reached Baht 56.6 per share in 2015, up from Baht 51.1 per share in 2014 and Baht 44.9 per share in 2013.

## Management of the Company's assets

### Account Receivables:

The Company values its receivables at the net realisable value and the allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. This allowance is generally based on collection experiences and debt aging analysis. In order to control the level of outstanding account receivables the Company actively collects and monitors the account receivable level and as a normal course of business may time-to-time sell its accounts receivables at a discount to a financial institution without recourse. If the Company sells its account receivables it will derecognise such accounts receivables from the financial statements.

At the end of December 2015 the Company's trade and other receivables were Baht 240 million, a slight increase of Baht 12 million or 5.3% over the same period in 2014 and a decrease of Baht 83 million or 25.7% over the same period in 2013. While the Company's supplier and tenant receivables were Baht 3,138 million, a slight decrease of Baht 68 million or 2.1% over the same period in 2014, and an decrease of Baht 120 million or 3.7% from 2013. The Company sold its accounts receivables to financial institution without recourse of approximately Baht 2,150 million in 2015, Baht 3,200 million in 2014, and Baht 2,351 in 2013 million.

### Inventory management:

The Company values its inventories at the lower of cost on an average and net realizable value. Costs of inventories are presented net of cash receipts from suppliers which are related to the purchase of inventories. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory. The reduction of inventory to net realisable value was Baht 45 million in 2015, Baht 49 million in 2014, rising from obsolete inventory, damage, and shrinkage.

At the end of December 2015 the Company's inventories were Baht 10,918 million, a decrease of Baht 634 million or 5.5% over the same period in 2014 and an increase of Baht 1,383 million or 14.5% over the same period in 2013. The decreasing inventory level is driven by better inventory management during 2015 as in 2014 our year-end holiday sales were not as high as originally expected.

### Investment properties:

As the Company is operated under dual retail-property model its larger stores are divided into retail sales area and rental area which it rents out to its tenants. Investment properties include rental areas in these stores. They are measured initially at cost, including transaction costs, and in following years at cost less accumulated depreciation and allowance for loss on impairment if there is any. The depreciation of investment properties is on straight-line basis over their estimated useful lives.

At the end of December 2015 the Company's investment properties were Baht 16,003 million, a decrease of Baht 184 million or 1.1% over the same period in 2014 and decrease of Baht 282 million or 1.7% from 2013, due to slower hypermarket expansion.

As the book value of our investment properties can differ from their fair value, the Company discloses once a year their estimated fair value. The estimated fair value of investment properties as 31 December 2015 was Baht 59,272 million up 5,467 million or 10.2% from 2014, and Baht 10,472 million or 21.5% from 2013.

### Investments in subsidiaries:

As part of the Company normal operation it has certain investments in its various subsidiaries. However these investments don't effect consolidated financial statements as they are presented in separate financial statements as you can find details from notes 12.1. At the end of December 2015 the Company's total investments in subsidiary companies amounted to Baht 42,032 million, stable from 2014 and an increase of Baht 5,300 million or 14.4% from 2013, due to a share capital increase of SSCP (Thailand) Ltd., a 100% own subsidiary.

### Investments in associates:

This investment relates to the Company's investment in e-commerce business comprising as follows:

- Investment in C-Distribution Asia Pte. Ltd., incorporated and operated in Singapore to be the parties' investment vehicle for e-commerce business in the ASEAN region (initially for Thailand and Vietnam) and provide certain management and headquarter functions and financial support to its operating affiliates. This company has a registered share capital of Euro 4.5 million in which the Company holds 40 percent interest. On 15 January 2014, the Company paid for this investment of Euro 1.8 million or equivalent to approximately Baht 81 million.
- Investment in C Distribution (Thailand) Limited which was incorporated and operated in Thailand to operate the e-commerce business in Thailand. This company has a registered share capital of Baht 100 million. On 17 January 2014, the Company paid for this investment totaling Baht 30 million for 30 percent interest.



It is normal for this type of e-commerce business to take time to reach profitability and as the Company can recognize share of losses from investments in associates only until the value of the investments reaches zero, the Company did not report any share of losses from investment in associates in 2015, down from total share of loss from investment in associates of Baht 110.6 million in 2014. Subsequent losses incurred by the associates have not been recognized in the Company's accounts since the Company has no obligations to make any payments on behalf of the associates. At the end of December 2015 the unrecognized share of losses from investment in associates amounted to Baht 212 million, up from Baht 47 million in 2014.

#### **Property, plant and equipment:**

In property, plant and equipment the Company states land at cost, while building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets. Depreciation of plant and equipment is done in straight-line basis over their estimated useful lives. For land and construction in progress and project under development there is no depreciation. To determine the depreciation of plant and equipment, the Company has to make estimates of their useful lives and residual values, and to review these estimates when any changes occur. On a periodical basis the Company review property, plant and equipment for impairment and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires the Company to make estimates regarding forecasted future revenues and expenses. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised.

At the end of December 2015 the Company's property, plant and equipment were Baht 27,036 million, an increase of Baht 993 million or 3.8% from 2014 and Baht 841 million or 3.2% from 2013. Due to continued expansion, increased renovations, and opening of Mini Big C, and Fresh Food distribution centers.

#### **Goodwill:**

Goodwill is initially recorded at cost, which equal to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss. Goodwill is subsequently carried at cost less any accumulated impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination.

The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

At the end of December 2015 the Company's Goodwill was Baht 26,722 million, stable from 2014 and 2013.

#### **Leasehold rights:**

Leasehold rights relate to our properties where the Company leases the land or property for its stores from third party. Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment (if any). Leasehold rights are amortised on the straight-line basis over the lease period. During 2015 the Company acquired Baht 691 million worth of new leasehold rights, this compares to Baht 52 million in 2014 and Baht 226 million in 2013. At the end of December 2015 the Company's Leasehold rights was Baht 5,117 million, an increase of Baht 338 million or 7.1% from 2014 and Baht 59 million or 1.2% from 2013 due to continued store expansion.

#### **Other intangible assets:**

Other intangible assets are computer software we use in our operations. Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. The useful lives of intangible assets is 5 years. However as at 31 December 2015, certain intangible assets have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 368 million. During 2015 the Company acquired Baht 33 million worth of new other intangible assets, this compares to Baht 48 million in 2014 and Baht 41 million in 2013. At the end of December 2015 the other intangible assets was Baht 146 million, a decrease of Baht 8 million or 5.1% from 2014 and an increase of Baht 36 million or 32.7% from 2013 due investments into the Company's software used in operations.

#### **Other current assets:**

Other current assets relate to items such as VAT refundable, prepaid rental, prepaid insurance, and others. At the end of December 2015 the amount of other current assets was Baht 996 million, an increase of Baht 81 million or 8.9% from 2014. The increase was mainly drive by increasing prepaid rental assets and VAT refundable increase.

**Other non-current assets:**

Other non-current assets relate to items such as insurance claim receivable, prepaid services, rental guarantee, deposits, and others. At the end of December 2015 the amount of other current assets was Baht 826 million, an increase of Baht 21 million or 2.6% from 2014. The increase was mainly drive by increasing rental guarantees during the year.

**Capital expenditure:**

The Company has very strict internal investment criteria that may vary year-by-year depending on the economic environment, and which every new investments projected returns must pass during due diligence period to get approved. The Company also monitors closely that its investments will deliver at least according to their projected returns. During 2015 the Company's net cash flow used in investing activities was Baht 5,576 million which was financed through the Company's internal cash flow as the Company's net cash flows from operating activities were Baht 11,387 million for the same period. The returns from investments to new stores, renovations, and distribution center passed their internal target levels during the year. This year's capital expenditure represents an increase of Baht 1,966 million or 54.5% over the same period in 2014, this increase was mainly driven by our increased store expansion and renovations after slowed expansion in 2014, and completion of our new fresh food distribution center during 2015. When compared to 2013 this represents a decrease of Baht 1,581 million or 22.1% due to slower store expansion speed in 2015 in hypermarkets and Mini Big C stores.

## Capital Adequacy

**Capital structure:**

The Company's capital structure is solid with low and declining gearing level. At the end of 2015 the Company's net debt amounted to Baht 9,607 million which represents a decrease of Baht 3,629 million or 27.4% from 2014 and Baht 9,543 million or 49.8% from 2013. The total interest bearing debt at the end of 2015 amounted to Baht 11,975 million, down from Baht 24,650 million at the end of 2014 and Baht 26,325 million at the end of 2013. The decline is due to a continued debt repayments over the years. The gearing ratio the Company is following internally is net debt to recurring EBITDA. At the end of December 2015 net debt to recurring EBITDA ratio declined to 0.74 times, down from 0.96 times at the end of 2014 and 1.43 times at the end of 2013, due to continued debt repayments. The Company believes that its current net debt to recurring EBITDA level, and current total interest bearing debt level provides it flexibility for the future should any additional funding requirements arise, for example the total interest bearing debt at the end of 2015 of Baht 11,975 million compares to net cash flow from operating activities of Baht 11,387 million for the year 2015 placing it at comfortable

level. Also as at 31 December 2015, the Company had current committed credit line which has not yet been drawn down amounting to Baht 8,000 million. This committed line provides the Company additional safety should fund requirement arise in future.

**Short-term loans from financial institutions:**

As at 31 December 2015, the Company did not have any short-term loans outstanding. This compares with Baht 6,000 million in 2014 and 2013. The decline was due to loan repayment of Baht 6,000 million in 2015.

**Long-term loans from financial institutions:**

In 2011 the Company entered into a short-term loan agreement to acquire the Carrefour Thailand operations. This short-term loan was subsequently refinanced on June 28<sup>th</sup> 2012 and on December 27<sup>th</sup> 2013 into to a various long-term loan tranches with three local financial institutions. From these loans during 2015 outstanding were:

- A loan agreement with two local financial institutions with the remaining period of 1 - 4 years. The loan carries interest at THBFIX 3 months or 6 months or BIBOR 3 months plus margin per annum. Repayment is to be made by a mixture of amortisation of annual installment, and full repayment at maturity. The balance of this loan as at 31 December 2015 was Baht 9,000 million down from Baht 12,000 million as at 31 December 2014, as the Company repaid Baht 3,000 million during 2015.
- A loan agreement with a local financial institution for credit facility of Baht 5,000 million with the remaining period until July 2017. The loan carries interest at THBFIX 6 months plus margin per annum. Repayment is to be made in annual installments of Baht 675 million commencing from January 2013 to July 2017. As at 31 December 2015, the balance of long-term loan was Baht 2,975 million down from Baht 3,650 million as at 31 December 2014.
- A loan agreement with a local financial institution for total credit facilities of Baht 3,000 million. This loan agreement was fully repaid during 2015 and as at 31 December 2015, there was no outstanding balance of this long-term loan, as during the year 2015 the Company repaid Baht 3,000 million of such long term loan.

All loans are denominated in Thai Baht, with floating interest rates tied to THBFIX 3 months, THBFIX 6 months, or BIBOR 3 months plus margin per annum. All long-term loan agreements are unsecured, and under the terms of the agreements, the Company must comply with certain conditions and restrictions stipulated in the agreements i.e. to maintain net debt to EBITDA ratio and to maintain net debt to equity ratio.

The Company is aware that certain adverse event could in future impact the Company's ability to maintain these ratios: for example an event of declining absolute EBITDA amount in a faster pace than debt repayments. However the Net Debt to EBITDA ratio of 0.74 as at 31<sup>st</sup> of December 2015 is much below the level required by loan covenants. In addition the Company puts efforts in utilizing its marketing data for marketing strategy aiming to provide valued products and complete services that meet our customers' needs. We closely monitor and conduct routine cross-functional meetings to help strengthen alignment throughout the Company. The Company also has a good proven discipline to maintain its loan repayment, evidenced by its continuously declining total interest bearing debt amount over the years.

As 31 December 2015, the long-term loans from financial institutions amounted to Baht 11,975 million (including a Current portion of Baht 5,675 million), down from Baht 18,650 million (including current portion of Baht 4,675 million) at 31 December 2014, and Baht 20,325 million (including current portion of Baht 1,675 million) at 31 December 2013. The decrease is due to continued gradual debt repayments the Company has been making over the years.

#### Finance lease agreements:

The Company has entered into finance lease agreements with a company for rental of a department store for use in its operation, whereby it is committed to pay monthly rental at a fixed rental rate and at a percentage of sales and sublease revenue of the Company. The term of the agreement is 28 years. At the end of 2015 the liabilities under finance lease agreement amounted to Baht 238 million (including a Current portion of Baht 11 million), down from Baht 248 million (including current portion of Baht 10 million) at the end of 2014, and Baht 255 million (including current portion of Baht 7 million) at the end of 2013. The decrease is due to continued lease payments the Company has been making over the years.

#### Commitments and contingent liabilities:

Commitments and contingent liabilities as at 31 December 2015 are summarised as follows:

- **Capital commitments:** As a part of the Company's operations and expansion it has committed to obligations under agreements with several companies regarding the construction and renovation work. At the end of 2015 these obligations amounted to approximately Baht 871 million, up from Baht 762 million at the end of 2014, and down from Baht 1,230 million at the end of 2013. The change is due to ramped up expansion and renovations from 2014. However expansion in 2013 was faster than in 2015 including starting construction of our Mini Big C distribution center, which explains the decline from 2013 level.

- **Operation lease commitment:** The Company and its subsidiaries entered into land lease, building lease and sub-lease agreements and service agreements with individuals, and other companies for the construction of office buildings and stores for periods ranging from one year to thirty years.

The future minimum payments required under non-cancellable agreements were as follows.

(Unit: Million Baht)

Payable within:	Consolidated financial statements		
	2015	2014	2013
Less than 1 year	955	903	983
1 to 5 years	3,108	2,539	3,034
More than 5 years	7,429	6,214	7,258
Total	11,492	9,656	11,275

Under certain lease and sub-lease agreements, the Company have commitments to make rental or additional rental payment, at a percentage of sales and sublease revenue of the Company and its subsidiaries.

One of the Company's subsidiaries has also entered into a land lease contract with third party in Khon Kaen for 30 years period starting from 17 July 1996. The Company and its subsidiaries agree to pay annual rental fee calculated by using initial land cost multiplied by average Minimum Loan Rate of commercial banks.

The financial risks related to financial instruments and risk management are mentioned under section Risk Factors.



# Audit Fee

The Audit Committee considered qualifications of auditor firms more than 1 proposal, taking into consideration the nomination and appointment of the external auditor pursuant to the Company's criteria, taking into consideration its independence, skills, competencies, knowledge, expertise, and experience as well as the competitiveness of the audit fee and 5-year rotation as required by law. In 2015, the Audit Committee proposed to the shareholders meeting to consider and appoint 3 auditors from EY Office Limited as pool auditors of the Company and subsidiaries. The remaining auditors in the pool are for contingency situation.

## (1) Audit Fees for 2015

Company	Auditor	Fees
1 Big C Supercenter Public Co.,Ltd.	Mr. Wichart Lokatekrawee	5,252,000
2 Big C Fairy Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	368,000
3 Phisanulok Big C Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	368,000
4 Central Superstore Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	96,000
5 Chiang Rai Big C Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	80,000
6 Udon Big C Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	80,000
7 Theparak Big C Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	80,000
8 Central Pattaya Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	80,000
9 Surat Big C Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	80,000
10 Inthanon Land Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	64,000
11 Chiang Mai Big C (2001) Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	56,000
12 Phraram II Big C Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	32,000
13 Big C Distribution Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	32,000
14 CenCar Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	800,000
15 Phitsanulok Big C 2015 Co.,Ltd.	Mrs. Sarinda Hirunprasurtwutti	25,000
<b>Total Audit Fees</b>		<b>7,493,000</b>

In 2015, the Company paid audit fees to EY Office Limited, for having Mr. Wichart Lokatekrawee, certified no. 4451 reviewed and certified the financial statement of the Company, with the audit fee of Baht 5,252,000 and for having Mrs. Sarinda Hirunprasurtwutti, certified no. 4799 reviewed and certified the financial statement of 14 subsidiaries, with the audit fee of Baht 2,241,000 so the total fees was Baht 7,493,000.

## (2) Other service fee

The auditor is independent and no conflict of interest. The auditor did not provide other service to the Company.

# Summary of Related Party Transactions

Item	Company or Individual under RPT definition / Relationship with the Company	Type of Transaction and Benefit to the Company	Condition / Pricing Policy	Transaction value (In Million Baht)		Different opinion of Audit Committee (if any)
				2015	2014	
1	<b>C-Distribution Asia Pte.Ltd. (C-Asia)</b> The Company holds 40% of C-Asia's Shares. Following directors of the Company Represent the Company in C-Asia; <ul style="list-style-type: none"> <li>Mr.Robert James Cissell</li> <li>Ms.Rumpa Kunhomreun</li> <li>Dr. Herve Daudin</li> </ul> Ms.Christelle Dufour is an executive of the Company and director of C-Asia.	<ul style="list-style-type: none"> <li>Share subscription</li> </ul>	<ul style="list-style-type: none"> <li>Par value</li> </ul>	81	81	-
		<ul style="list-style-type: none"> <li>Shareholder loan</li> </ul>	<ul style="list-style-type: none"> <li>Cost of fund plus margin</li> </ul>	142	-	-
		<ul style="list-style-type: none"> <li>(Pro rata for shareholding)</li> </ul>	<ul style="list-style-type: none"> <li>Comparable to similar business</li> </ul>			
		<ul style="list-style-type: none"> <li>Trade and other receivables</li> </ul>	<ul style="list-style-type: none"> <li>General trading condition</li> </ul>	2	-	-
2	<b>C Distribution (Thailand) Limited (CDT)</b> The Company holds 30% of CDT's shares Mr. Robert James Cissell is a director of the Company and represents the Company in CDT.	Investment in Cdiscount Thailand. Following expenses are necessary for the expansion of online business in Thailand and will support strategic priorities of the Company				
		<ul style="list-style-type: none"> <li>Share subscription</li> </ul>	<ul style="list-style-type: none"> <li>Par value</li> </ul>	30	30	-
		<ul style="list-style-type: none"> <li>Reimbursement from CDT of initial operating expenses made by the Company and initial assets acquired by the Company on behalf of CDT in advance of the incorporation of CDT</li> </ul>	<ul style="list-style-type: none"> <li>Actual cost</li> </ul>	-	92	-
		<ul style="list-style-type: none"> <li>Service fee and office rental</li> </ul>	<ul style="list-style-type: none"> <li>Cost allocation plus certain margin at the rate comparable to similar business</li> </ul>	20	9	-
		<ul style="list-style-type: none"> <li>Shareholder loan</li> </ul>	<ul style="list-style-type: none"> <li>Cost of fund plus margin</li> </ul>	217	85	-
		<ul style="list-style-type: none"> <li>(Pro rata of shareholding)</li> </ul>	<ul style="list-style-type: none"> <li>comparable to similar business</li> </ul>			
		<ul style="list-style-type: none"> <li>Sale &amp; Purchase of Merchandise</li> </ul>	<ul style="list-style-type: none"> <li>Market price</li> </ul>	69	169	-
		<ul style="list-style-type: none"> <li>Trade and other receivables</li> </ul>	<ul style="list-style-type: none"> <li>General trading conditions</li> </ul>	21	4	-
		<ul style="list-style-type: none"> <li>Trade and other payables</li> </ul>	<ul style="list-style-type: none"> <li>General trading conditions</li> </ul>	3	7	-

Item	Company or Individual under RPT definition / Relationship with the Company	Type of Transaction and Benefit to the Company	Condition / Pricing Policy	Transaction value (In Million Baht)		Different opinion of Audit Committee (if any)
				2015	2014	
3	<b>Cavi Retail Ltd.</b> Subsidiary of Casino Group, a major Shareholder of the Company Mr. Philippe Alarcon is a director of both the Company and Cavi Retail Ltd.	Income for use of trademark "Big C" in Vietnam				
		<ul style="list-style-type: none"> <li>Royalty fee</li> </ul>	<ul style="list-style-type: none"> <li>Negotiated comparable to Similar business</li> </ul>	21	20	-
		<ul style="list-style-type: none"> <li>Trade and other receivables</li> </ul>	<ul style="list-style-type: none"> <li>General trading conditions</li> </ul>	5	5	-
4	<b>EB Services Co., Ltd.</b> Subsidiary of Casino Group, a major shareholder of the Company	As part of members of AEC, the Company and Vietnam are developing personnel together. Some personnel are exchanged on secondment basis.				
		<ul style="list-style-type: none"> <li>Reimburse advanced payment of personal expense</li> </ul>	<ul style="list-style-type: none"> <li>Actual cost</li> </ul>	2	7	-
		<ul style="list-style-type: none"> <li>Trade and other receivables</li> </ul>	<ul style="list-style-type: none"> <li>General trading conditions</li> </ul>	-	7	-
5	<b>Casino International SAS</b> subsidiary of Casino Group, a major shareholder of the Company	Under synergy strategy, subsidiary of Casino Group, sources products with global volume and share benefit with the Company (global sourcing arrangement). The company received benefit as commercial rebate and pays commission fees in exchange.				
		<ul style="list-style-type: none"> <li>Rebate income</li> </ul>	<ul style="list-style-type: none"> <li>Market price</li> </ul>	72	68	-
		<ul style="list-style-type: none"> <li>Commission fee</li> </ul>	<ul style="list-style-type: none"> <li>Negotiated, comparable to similar business</li> </ul>	21	21	-
		<ul style="list-style-type: none"> <li>Reimburse advanced payment of personal expense</li> </ul>	<ul style="list-style-type: none"> <li>Actual cost</li> </ul>	21	25	-
		<ul style="list-style-type: none"> <li>Trade and other receivable</li> </ul>	<ul style="list-style-type: none"> <li>General trading conditions</li> </ul>	75	81	-
		<ul style="list-style-type: none"> <li>Trade and other payable</li> </ul>	<ul style="list-style-type: none"> <li>General trading conditions</li> </ul>	22	37	-

Item	Company or Individual under RPT definition / Relationship with the Company	Type of Transaction and Benefit to the Company	Condition / Pricing Policy	Transaction value (In Million Baht)		Different opinion of Audit Committee (if any)
				2015	2014	
6	<b>Distribution Casino France SAS</b> Subsidiary of Casino Group, a major shareholder of the Company Dr. Herve Daudin is a director of the Company and the chairman of Distribution Casino France SAS	<p>The Company purchased Casino brand private label products as part of its wide range of assortment to serve customer needs.</p> <ul style="list-style-type: none"> <li>• Sale &amp; Purchase of merchandise</li> <li>• Trade and other payable</li> <li>• Reimburse advanced payment of personal expense</li> <li>• Trade and other receivable</li> </ul>	<ul style="list-style-type: none"> <li>• Market price</li> <li>• General trading conditions</li> <li>• Actual cost</li> <li>• General trading conditions</li> </ul>	112	129	-
				12	6	-
				1	-	-
				2	-	-
				-	19	-
7	<b>Casino Services SAS</b> Subsidiary of Casino Group, a major shareholder of the Company	<p>Under synergy strategy, Casino Group provides various kinds of management assistance to the Company</p> <ul style="list-style-type: none"> <li>• Management support and strategic advisory fee</li> <li>• Repayment of advance for personal expense and insurance premium</li> <li>• Trade and other payable</li> </ul>	<ul style="list-style-type: none"> <li>• Cost plus margin at the rate comparable to similar business</li> <li>• Actual cost</li> <li>• General trading business</li> </ul>	45	75	-
				45	70	-
				-	-	-
				-	-	-
8	<b>Geant International B.V. (GIBV)</b> A major shareholder of the Company	<p>Under synergy strategy, Casino Group provides various kinds of management assistance to the Company. From 1 July 2014 onwards, GIBV provides management Services instead of Casino Services</p> <ul style="list-style-type: none"> <li>• Management support and strategic advisory fee</li> <li>• Trade and other payable</li> </ul>	<ul style="list-style-type: none"> <li>• Cost plus margin at the rate comparable to similar business</li> <li>• General trading business</li> </ul>	246	118	-
				140	118	-
				-	-	-

Item	Company or Individual under RPT definition / Relationship with the Company	Type of Transaction and Benefit to the Company	Condition / Pricing Policy	Transaction value (In Million Baht)		Different opinion of Audit Committee (if any)
				2015	2014	
9	<b>Green Yellow (Thailand) Limited</b> Subsidiary of Casino Group, a major shareholder of the Company	Green Yellow provides energy saving solution advice. It assigned personal for engineering feasibility study for the Company				
		• Management fee income	• Based on the agreed prices between the parties	1	-	-
		• Reimburse advanced payment of personal expense	• Actual cost	16	6	-
		• Trade and other receivable	• General trading business	4	4	-
		• Management support and strategic advisory fee	• Cost plus margin at the rate comparable to similar business	1	-	-
		• Trade and other payable	• General trading business	1	-	-
10	<b>Groupe Casino Limited</b> Subsidiary of Casino Group, a major shareholder of the Company	Under synergy strategy, subsidiary of Casino Group sources products and the Company pays commission fee in Exchange.				
		• Commission fee	• Negotiated, comparable to similar business	16	15	-
		• Trade and other receivable	• General trading business	4	-	-
11	<b>Casino Guichard-Perrachon</b> An ultimate parent of Casino Group, a major shareholder of the Company	Under synergy strategy, Casino Group provides various kinds of management assistance to the Company				
		• Insurance premium	• Actual cost	104	-	-
		• Trade and other payable	• General trading business	13	-	-
12	<b>Monoprix S.A.</b> Subsidiary of Casino Group, a major shareholder of the Company	The Company purchased Monoprix own-brand products to serve customer needs.				
		• Purchase of merchandise	• Market price	3	-	-
		• Trade and other payable	• General trading business	2	-	-

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Investor can get more information of the Company from 56-1 from at  
[www.sec.or.th](http://www.sec.or.th) or [www.bigc.co.th](http://www.bigc.co.th)

# General Information and Reference

## Big C Supercenter Public Company Limited

Type of Business	: Retail
Head Office	: 97/11, 6 <sup>th</sup> Floor, Ratchadamri Road, Lumpini Sub-District, Pathumwan District, Bangkok 10330, Thailand
Registration No.	: 0107536000633
Telephone	: 02-655-0666
Fax	: 02-650-3697
Website	: <a href="http://www.bigc.co.th">www.bigc.co.th</a>
Registered Capital	: Baht 8,250,000,000
Paid-up Capital	: Baht 8,250,000,000 (Comprised of 825,000,000 shares at par value of 10 Baht)

## Security Registrar

Shareholders can contact the Registrar at the following address for more information of your shareholding, changes of shareholder information or receiving dividend:

Securities Depository (Thailand) Co., Ltd.  
93 Ratchadaphisek Road, Dindaeng Sub-District,  
Dindaeng District, Bangkok 10400  
Tel: 02-009-9000 Fax: 02-009-9991

For more information, shareholders can also apply for membership of the Investor Portal via [www.set.or.th](http://www.set.or.th). Allowing the Registrar to deposit dividend into your assigned bank account will be more convenient and secured for you. If you wish to apply for e-Dividend, you can contact TSD or your broker.

Starting 1 January 2015, TSD will deliver only 1 set of documentation for AGM and proxy to your Principal Address. For more information, please visit [www.set.or.th](http://www.set.or.th) or call SET Contact Center at 02-009-9999

## Auditor

EY Office Ltd.  
33<sup>rd</sup> Floor, Lake Ratchada Building, 193/136-137  
Rachadaphisek Road, Khlong Toei Sub-District,  
Khlong Toei District, Bangkok 10110  
Tel: 02-264-0777, 02-661-9190 Fax: 02-264-0789 to 90

## Legal Advisor

Linklaters (Thailand) Ltd.  
20<sup>th</sup> Floor, Capital Tower, 87/1 All Season Place  
Wireless Road, Lumpini Sub-District, Pathumwan District,  
Bangkok 10330  
Tel: 02-305-8000 Fax: 02-305-8010

## Information Center for Stakeholders

Ms. Rumpa Kumhomreun, CFO and VP, Finance & Accounting  
Mr. Rami Piirainen, CFA, Director of Investor Relations  
Tel: 02-655-0666 ext. 7416  
or Email: [kurumpa@bigc.co.th](mailto:kurumpa@bigc.co.th) or [pirami@bigc.co.th](mailto:pirami@bigc.co.th)

## Joining hands with shareholders to preserve the environment

To preserve the environment, we have published the Annual Report and Corporate Social Responsibility Report 2015 on the Company's website: [www.bigc.co.th](http://www.bigc.co.th). We will send a CD of the Report to each shareholder. Printed copies will be delivered only upon request.  
If you wish to receive the Report in print, please contact [governance@bigc.co.th](mailto:governance@bigc.co.th) or fax: 02-250-5399 or call 02-655-0666 ext. 6871, 7159

## Website

We have published useful information for investors on the Company's website, [www.bigc.co.th](http://www.bigc.co.th), on the Investor Relations page. Email alert service can be provided without charge. Our system will automatically send you the Company and SET's online announcements. You can register for the service at [www.bigc.co.th](http://www.bigc.co.th) > Investor Relations > Information Request > Email News Service

## Information Center for Media

Ms. Warunee Kitjaroenpoonsin, Director of Corporate Affairs  
Tel: 02-655-0666 ext. 7437 or [kiwarunee@bigc.co.th](mailto:kiwarunee@bigc.co.th)

## Precaution

Please take into consideration that this report contains forward-looking statements. These statements include descriptions regarding the intent, beliefs or current expectations of the Company or its directors and officers with respect to the results of operations and financial conditions of the Company. Such forward-looking statements do not guarantee future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements. The Company does not undertake to revise any forward-looking statement that may be made from time to time, by or on behalf of the Company.





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