

THE
NEXT
TOGETHER
ก้าวไปด้วยกัน



Annual Report 2020

Siam Makro Public Company Limited

This report is printed using environmental-friendly paper.

**THE
NEXT
TOGETHER**
ก้าวไปด้วยกัน





CSR Activities in 2020



Increased purchasing
of **Sea Perch** from fish farmers
impacted by COVID-19

over **1,600** tons



Over **2,000**

restaurants operators were supported
during lock - down



Hired for more than

2,500

roles during the COVID-19
pandemic

Expanded **Community Kitchen** to
more than

12,000

Shohuay stores



Employees and customers joined the
blood donation activity over

4,200,000 C.C.

through Thai Red Cross Society



Supported an essential
protective equipment in
combating COVID-19
to over

80

hospitals



Provided aid to **flood victims**
over

65,000

households



Received Thailand Quantity Marks
for more than

300

Own Brand products
from the Ministry of Commerce



Key Achievement in 2020

THE NEXT TOGETHER ก้าวไปด้วยกัน



January 2020



Received
"Best Practice Awards 2020"
in Social Academic Services from
Thai Social Foundation



April 2020



Opened Makro Eco Plus Store in **Yangon**,
which is the 1st store in Myanmar.

May 2020

All Makro Stores received "COVID-19
Safety Standards Certificates" from
the Department of Health



May 2020



Opened Makro Foodservice Store, **Amata
Nakorn Branch**, Chonburi Province



June 2020



Opened the new concept store
"Fresh@makro" at Ease Park community
mall, Ram Intra KM. 4 Road, Bangkok

June 2020



Signed a Memorandum of Understanding with
the Department of Agricultural Extension,
Ministry of Agriculture and Cooperatives, to
support Mega Farm Enterprise, starting with
the purchase of 5,000 kg. of Fragrant
Taro from farmers in Saraburi Province



September 2020



Opened Makro Foodservice Store,
Bang Kho Laem Branch, Bangkok

September 2020

Makro received
**51 Outstanding Model
Establishment Awards** for
Safety, Occupational Health and Work
Environment 2020, presented by the
Department of Labour Protection and
Welfare (DLPW), Ministry of Labour.

September 2020



Received plaques in managing and
reducing domestic greenhouse gas
emissions from Thailand Voluntary
Emission Reduction Program
(T-VER)

October 2020

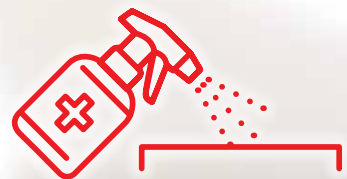


94 Makro stores received **Thailand Labour Management
Award 2020** by the Department of Labour Protection and
Welfare, Ministry of Labour.

October 2020

Received "HR Asia Best
Companies to Work for in
Asia 2020" award by HR Asia.





Store Operation
Sanitation



Social
Distancing



Promoting
Personal Hygiene

**The Next
Together**

A Strong Partnership
Toward
Sustainability

NEW NORMAL

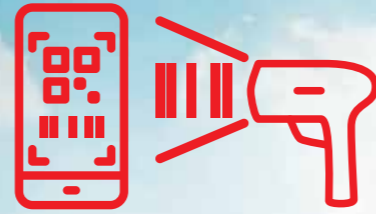
**Building Confidence
towards the Next Normal**

Makro uplifts its hygiene and safety standards and sets forth strict measures in all stores to build customer confidence in the new normal lifestyle.

CUSTOMER EXPERIENCE

A pleasant service
gives an impressive
experience

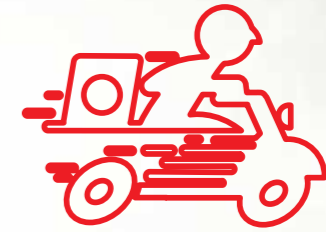
To leverage the O2O platform, Makro launched new services to serve customer needs, as well as provided more options for payment, express delivery, and pick-up at stores.



E-payment



O2O Platform



Speed M Express





**Knowledge
Sharing**



**Companionship
in Crisis**



**Enhancing
Competitiveness**



The Next
Together

A Strong Partnership
Toward
Sustainability

PARTNERSHIP

**A good partner makes
a great journey**

Makro strives for enhancing knowledge and potentials of farmers and suppliers to upgrade quality and add values to their products, as well as supporting them to get through all difficulties.

FOOD SAFETY

Food Safety journey from farm to fork

Makro devotes for development of food safety standards from upstream to downstream, with traceability in all processes, to ensure that food products available at Makro are safe for consumption.



Collaboration
with suppliers
for quality control
from upstream



Food Safety Standards



Traceability with
Makro i-Trace





Financial Highlights

As at 31 December
Siam Makro Public Company Limited and its subsidiaries

	2018	2019	2020
Number of Cash & Carry Stores (stores)			
Total Stores	132	140	144
Thailand	129	134	137
Overseas ¹	3	6	7
Financial Performance (Baht Million)			
Total Sales	188,583	206,180	214,140
Total Revenues	192,930	210,627	218,760
Gross Profit	18,944	21,168	22,124
Net Profit	5,942	6,245	6,563
Earnings per Share (Baht)	1.24	1.30	1.37
Financial Position (Baht Million)			
Total Assets	62,065	62,641	74,034
Total Liabilities	42,808	41,907	51,324
Interest-bearing Debts ²	10,585	7,845	8,059
Issued and Paid-up Share Capital	2,400	2,400	2,400
Retained Earnings	13,242	14,810	16,751
Total Equity	19,257	20,734	22,710
Financial Ratios			
Gross Profit Margin (%)	10.0	10.3	10.3
Net Profit Margin (%)	3.1	3.0	3.0
Interest-bearing Debt to Equity ² (times)	0.55	0.38	0.35
Return on Assets (%)	9.7	9.9	9.5
Return on Equity (%)	32.8	32.0	30.9
Stock Data			
Share Capital (Baht Million)	4,800	4,800	4,800
Par Value per Share (Baht)	0.50	0.50	0.50
Book Value per Share (Baht)	3.90	4.22	4.63
Dividend per Share (Baht)	0.96	0.96	1.00 ³

Remark: ¹ Excludes restaurant / minimart under Food Service Business Unit.
² Interest-bearing debts exclude lease liabilities.
³ Dividend per share of Baht 1.00 includes the followings:
- Interim dividend of Baht 0.40 per share paid on 8 September 2020.
- Final dividend of Baht 0.60 per share proposed by the Board of Directors for shareholder's approval at the 2021 Annual General Meeting of Shareholders.

VISION

To Be Number One
Food Solution Provider
for Professional Customers

MISSION



Multi-formats

Expansion



Award

Team
achievement
and invest
in people



Know the differences

Know and
respect the local
differences



Responsible

for the society
and the world



Offer the best

Value & solution
to customers

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Message from the Board of Directors and Group Chief Executive Officer

Mr. Suphachai Chearavanont
Chairman

2020 was the year of challenges and pride of the Board of Directors and Makro people.

Companionship through Difficulties

We realize that the strength of our business is supported by business partners, customers, and society. Certainly, we are not in this just for profit, but aiming further to repay society at large and the country and to be a trusted partner for our business alliances in all difficulties to give them support and build a sustainable growth together.

The COVID-19 pandemic has severe implication for the economy since the first quarter of 2020. Thai economy and that of the global faced a major recession. This inevitably affected tourism industry and led to a large-scale closures of tourism-related businesses – hotels, restaurants, and airlines – which are our main customers. The subsequent increased unemployment amid concerns over the economic crisis hammered consumer confidence, resulting in increasing precautionary savings and cautious spending. Numbers of producers and farmers faced with oversupply and liquidity problems.

The Board of Directors and the Management have closely monitored the situations and the implication this may have for the business to provide operational guidelines to alleviate negative impacts on the Company and all stakeholders. Precautionary measures were expedited instantly to ensure that our employees, customers, and business premises were safe from the spread of the COVID-19, and that the stock availability of essential products are maintained along with safety and quality.

Measures to assist the customers and farmers were immediately put into force and continued throughout the year. These included public online courses – via Makro’s Facebook page and ‘Makro HoReCa Academy’ website – about food delivery business and online marketing, free open space at store entrance for restaurant operators to sell take-home food, buying oversupplied agricultural products, free delivery during widespread situations, and static pricing of essential goods such as medical masks during shortage, etc.

2020 Operating Results

For the year, Makro reported its consolidated net profit of 6,563 million Baht, an increase of 5.1% from the previous year, thanks to the dedication of our employees and close collaboration between Makro and business partners. The total revenue increased by 3.9% YoY to 218,760 million Baht, primarily due to an additional contribution of the four new stores opened in 2020 (three in Thailand and one in Myanmar, which is our first store in this country), and the relentless growth of Makro Thailand and Makro International. This was also owing to our dedication to product development and service enhancement, including i) the development of fresh and frozen food products in the “Community Kitchen” Project for Retailers, ii) the improvement of the omni-channel platform (Offline to Online or O2O), and iii) the service upgrades such as cashless payment, curbside pick-up and last-mile delivery.

Contrarily, the COVID-19 pandemic and the subsequent tourism disruption have taken a toll on Food Service APME. However, the business showed a sign of improvement in the latter half of the year. Makro International saw an impressive YoY growth in revenues while operating expenses were effectively managed; even so, the business still posed a loss in 2020. This has been considered normal for the initial phase of a new business, primarily due to sizable investment in infrastructure and high marketing expenses. Given the gradual improvement of the business and the results adhering to plan, we are convinced that the short-term impact of

Mrs. Suchada Ithijarukul
Director and Group Chief Executive
Officer – Siam Makro



overseas expansion would be offset by its long-term benefits and the overseas business will be a key factor for sustainable growth of Makro in the future.

Relentless Development towards Sustainable Growth

Looking back over the past year, there were several events that prove our management ability and business dynamic during critical times. They also made us aware of areas of improvement which were urgently needed. With the change of customers’ behavior and expectation under the new normal and the digital society, one thing that should not be overlooked to create a better experience and impression through products and services that meet their needs. The year 2021 will be the first year in which Makro adopts complete organizational transformation which will focus on utilization of new technology to increase operational efficiency and to provide customers with excellent services, as well as human resource development through constant upskilling in digital literacy adhering to the business direction and future growth.

Despite the unexpected pandemic affecting economy at large with uncertainty in recovery, we remained confident in the potential of Thailand’s tourism sector as well as the fundamental and the growth potential of Thailand and the ASEAN. Therefore, Makro carries on its business expansion according to the 5-year roadmap, which includes the expansion of its offline platforms in Thailand and overseas – India, Cambodia, China, and Myanmar – which are considered as new markets for Makro. However, for the overseas expansion, we are exercising extraordinary prudence in investment considerations. Therefore, it may take longer time than Thailand where Makro has a firm establishment of over 30-year experience. The expansion of stores will be carried out in tandem with further development of the online platform to create seamless customer experience, either when buying products or using services. Thus, this will

not only cement our sustainable growth, but also lead us “to be number one food solution provider for professional customers” according to the Company’s vision.

The Year of Pride

Despite difficulties, several occasions have made us proud. Firstly, in the past year, there was no COVID-19 infection among our employees, stores and other premises. Moreover, all 137 Makro stores in Thailand received “COVID-19 Safety Standards” certified by the Ministry of Public Health. Secondly, amidst crisis, we were one of many that alleviating and giving hands to the afflicted – customers, suppliers and farmers – and driving them through obstacles to go further with their businesses. Makro, this year, received “HR Asia Best Companies to Work for in Asia 2020” award from HR Asia Magazine, reflecting our care for employees like family members.

On this occasion, the Board of Directors would like to express a heartfelt appreciation to Mr. Arsa Sarasin, the former Chairman, who over 20 years devoted in laying a firm foundation and put efforts in driving growth of Makro. We would also like to thank our business allies and customers for their faith and support of Makro’s business, which have enabled Makro to go through difficulties with confidence. We thank all employees who fully dedicated themselves to their work, together with their families for their understanding and encouragement of their loved ones who had to work in risk-prone areas. Lastly, we would like to thank the shareholders, financial institutions, public and private sectors, and the press for their support of Makro’s operation all along. The Board of Directors ensures you that Makro is committed to business operation with prudence, ethics and good governance for the benefit and sustainable growth of the country, the people, and all stakeholders of the Company.

Report of the Audit Committee

Dear Shareholders,

Siam Makro Public Company Limited's Audit Committee, appointed by the Board of Directors, consists of three independent directors who are qualified and have experience in various fields, and are independent as stipulated by the Stock Exchange of Thailand. The members of the Audit Committee are Mr. Joti Bhokavanij, as Chairman of the Audit Committee, Mrs. Kannika Ngamsopee and Mr. Jukr Boon-Long as members of the Committee. Serving as secretary to the Audit Committee is Ms. Busakorn Rakkanka, Head of Internal Audit Department.

The Audit Committee had discharged its duties by rendering independent opinion according to the roles and responsibilities specified in the Audit Committee Charter, complying with the Best Practice Guidelines for Audit Committee of the Stock Exchange of Thailand as well as the Corporate Governance Code of the Securities and Exchange Commission, Thailand. During the year 2020, the Audit Committee proceeded as follows:

1. The Committee held 8 meetings to perform its duties as assigned by the Board of Directors, and presented the audit committee report to the Board of Directors on a quarterly basis.
2. Reviewed and approved the internal audit plan prepared by Internal Audit Department based on risk assessment, and reviewed internal audit activities with Internal Audit Department on a quarterly basis as well as provided suggestions for improving efficiency and effectiveness of internal audit process. The Audit Committee also continually monitored the progress of corrective measures made by management. Furthermore, the Audit Committee reviewed the independence, performances of Internal Audit Department, and encouraged the usage of technology tools in the internal audit process to enhance efficiency.

In this respect, in 2020 the Company engaged an external independent assessor PricewaterhouseCoopers ABAS Ltd. (PwC) to perform a quality assurance review (QAR) of internal audit activities, including request for a recommendation to transform internal audit function into a NextGen Internal Auditor. The QAR result showed that the Internal Audit Department conformed to the IIA Standards and aligned with the international best practices. Furthermore, the Internal Audit Department subsequently prepared a 2021 audit plan in line with the recommendation of the assessor.

In conclusion, the Audit Committee was of the opinion that the internal audit function was operated independently, adequately and effectively with continuous quality development in terms of people, process, and technology.

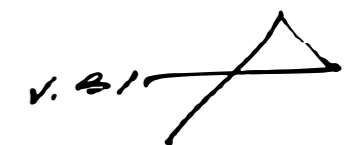
3. Reviewed the quarterly and annual financial reports of the Company which included performance of its subsidiaries and the disclosure of material information. Considered the external auditor's report by holding a meeting with the external auditor and the executive management to discuss the key issues that were relevant to the review and audit of the financial reports, as well as the changes in accounting and financial reporting standards. This was in order to ensure that the Company's financial statements represented the Company's financial position and financial performance fairly, in all material respects, in accordance with Thai Financial Reporting Standards. Moreover, the Audit Committee had a meeting with the external auditors without the presence of the Company's management in order to discuss their audit independence and other concerns, if any.

4. Reviewed the Company's connected transactions and disclosure of related party transactions between the Company and related companies to ensure that the Company complied with the terms of business and rules stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand. In this context, the Audit Committee assigned Internal Audit Department to review the Company's connected transactions and report the outcome to the Audit Committee. The results of the Internal Audit Department's review showed that the connected transactions were undertaken in the normal course of business and no unusual transaction was found.
5. Reviewed the adequacy and effectiveness of the Company's internal control systems to reasonably ensure the Company's performance would meet its set targets. Based on the internal audit report of the year 2020 which covered key business processes, the Audit Committee had the opinion that the Company's internal control system was adequate and appropriate.
6. Reviewed with the management the efficiency and effectiveness of risk management at an organisational level (Enterprise Risk Management), including risk management policy, plan and management approach that impact the Company's operational result. Worked with the management to ensure the continuity and effectiveness of risk management. Subsequently, the Internal Audit Department was assigned to prepare a risk-based audit plan which aligned with the result of the aforementioned risk assessment.
7. Considered selecting, appointing an external auditor, and giving opinion to the Board of Directors for approval at the shareholders' meeting. The Audit Committee's meeting unanimously approved the appointment of KPMG as an external auditor for year 2020 including the scope and annual audit plan of the external auditor.
8. Monitored the result of whistle-blowing and complaint-making process. In 2020, the Audit Committee had received the whistle-blowing information through the Company's whistle-blowing channel totally 140 complaints, which were reported by Internal Audit

Department. Most complaints were service complaints. Internal Audit Department passed the complaints to relevant departments for appropriate actions; and the complaints had been duly resolved by the relevant departments. Regarding the whistle-blowing information concerning fraud, misconduct, or the violation of the Code of Conduct, there were 12 cases with insignificant losses. The Company investigated and took appropriate actions, including reviewing working procedures and stressing code of conduct training for employees in order to prevent such risks.

9. Considered the Internal Audit Department's report on the Company's compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and other legislations including Anti-Corruption Guidelines and regulations. The Audit Committee was of the opinion that the Company had closely supervised and controlled its operations to ascertain that every unit operates properly and was in compliance with the law, rules, and regulations related to businesses.

In summary, the Audit Committee fully discharged its duties and responsibilities in accordance with the Audit Committee Charter. The Audit Committee was of the opinion that the Company's Board of Directors, the Executive Committee and the Management performed their duties responsibly in accordance with Corporate Governance Policy to achieve the set organisational objectives including compliance with laws, regulations and various obligations as well as proper disclosure of connected transactions and adequately complied with good corporate governance procedures. Furthermore, the Company's financial and operation report had been fairly presented, and the Company's risk management process, the internal control system, and the internal audit were appropriate and effective.



(Mr. Joti Bhokavanij)
Chairman of the Audit Committee

Report of the Corporate Governance Committee

Dear Shareholders,

In 2020, the Corporate Governance Committee duly performed its duties as designated in its charter and as assigned by the Board of Directors. The Committee held 3 meetings and regularly reported its performance to the Board for acknowledgment. The highlights of the corporate governance operations are summarized as follows:

1. Considered and approved the report of the Corporate Governance Committee for disclosure in the Annual Report and Form 56-1.
2. Reviewed the Company's compliance with the Corporate Governance Code (CG Code) for listed companies prescribed by the Securities and Exchange Commission, as well as provided recommendations in applying the CG Code as deemed appropriate with the business context.
3. Considered and approved the 2020 Action Plan for corporate governance activities.
4. Monitored the impacts of COVID-19 pandemic on the Company's business and provided valuable advice and guidelines for efficient business management under such difficulties.
5. Reviewed the Anti-Corruption Policy, the Corporate Governance and Code of Conduct Manual, and the Charter of the Corporate Governance Committee; resolved to amend the documents to align with the business operation and current international practices; and proposed such amendments to the Board for approval.

In addition, in 2020, the Company achieved its corporate governance objectives as follows:

- Launched the online Conflict of Interest Declaration to provide the employees and managements with a convenient channel to declare their conflict of interest and reduce paper works of Human Resources Department.
- Launched M-Learning courses on the 'Corporate Governance and Code of Conduct' and the 'Anti-Corruption Policy' with 100% of employees and managements completed both courses.
- The Company achieved 100 scores of the AGM Checklist Assessment for the fourth consecutive year.
- The Company was rated **"Excellent"** in the 2020 Corporate Governance Report of Thai Listed Companies (CGR) for the third consecutive year, with higher scores compared with the preceding year.

The CG Committee is determined to promote and support the efficiency development in corporate governance operations to create long-term business values and ensure that the Company will achieve the objective for sustainable growth.



(Prof. Rawat Chamchalerm)
Chairman of the Corporate Governance Committee

Report of the Nomination and Remuneration Committee

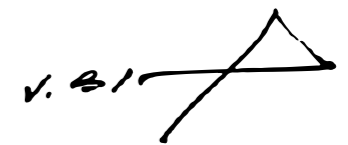
Dear Shareholders,

In 2020, the Nomination and Remuneration Committee held 2 meetings and regularly reported its performance to the Board for acknowledgment. The highlights of the operations in 2020 are summarized as follows:

1. Considered and approved the report of the Nomination and Remuneration Committee for disclosure in the Annual Report and Form 56-1.
2. Recruited suitable candidates and proposed to the Board for consideration and appointment to fill the vacancy of a resigned director during the year.
3. Recruited suitable candidates and proposed to the Board prior to proposing in the 2020 Annual General Meeting of Shareholders (AGM) for consideration and appointment to replace those who completed their terms in 2020 with respect to the candidates' experiences, professional competencies, skills and expertise (skill matrix). The purpose is to ensure that the composition of the Board of Directors qualifies in terms of diversity, alignment with the Company's business strategy and operations, and non-discrimination based on gender, age, or nationality.
4. Considered the 2020 structure and remuneration for the Board of Directors by considering their responsibilities, size of business, and competitiveness compared with other listed companies as the industry peers. The remuneration was also considered based on the Company's operating results and dividend payout ratio.

5. Considered the performance assessment result of the Board and reported to the Board for acknowledgement.
6. Evaluated the performance and determined the annual remuneration of the Group Chief Executive Officer – Siam Makro by considering her duties and responsibilities, performance as well as the Company's operating results.
7. Encouraged and supported the Company to allow minor shareholders to nominate directors at least 3 months prior to the 2020 Annual General Meeting of Shareholders.
8. Reviewed the Charter of the Nomination and Remuneration Committee; resolved to amend the Charter to align with the business operation and current international practices; and proposed such amendments to the Board for approval.
9. Considered and acknowledged the progress of the succession plan as well as provided valuable advice for further development and improvement of the succession plan to ensure that the Company will have sufficient successors for strong competition in the future.

The Nomination and Remuneration Committee cautiously fulfilled its duties with integrity, based on the responsibilities designated in its Charter. It adhered to the principle of good governance for the balanced and sustainable benefits of all stakeholders.



(Mr. Joti Bhokavanij)
Chairman of the Nomination and Remuneration Committee

2020 Operation Performance



Makro places a great deal of emphasis on food safety.

We strive to meet the demands of our food-business – operator customers, as well as modern – day consumers who value their health and well – being and willingly spend their money on safe foods per the regulations of their country.



Because Makro is keenly aware of the value of the environment and natural resources, we are committed to expending natural resources and energy in the most efficient manner possible for the utmost benefit, including our efforts to ensure that all of our processes are environmentally friendly.



Makro committedly studies potential technologies and develops them into business channels to facilitate our customers’ business processes, increase their profits and foster sustainable growth in the new era of competition. These efforts will bring about satisfaction among our customers, ensuring their loyalty in the long run.



As Makro continues to value the ability to trace products back to their sources,

we are committed to working only with lawful producers and suppliers. In addition, we always take the sustainability of our environment into consideration to make sure of mutual growth.



Makro hopes to be loved by the local communities that surround our stores. To this end, we strive to be beneficial to them, whether by creating jobs locally, providing retail management education to small local retailers and equipping youths with retail-management knowledge that helps them better their local stores.



Makro strives to be one of the top 5 organizations that people, especially newgraduates, want to work with. Additionally, we have begun conducting an engagement survey among our existing personnel, the results of which will be used to transform Makro into an organization for all ages.



Ethical Sourcing

The vision, “**To Be Number One Food Solution Provider for Professional Customers**”, can be accomplished through the collaboration between farmers, suppliers, and Makro’s team members in order to acquire and deliver high-quality products from standard sources to professional customers and end consumers at reasonable prices.

The strength of Makro’s business has been reinforced through sustainable development of farmers and suppliers. The Company applies ethical sourcing principles to acquire quality products and raw materials that meet the safety standard and are certified by leading domestic and international laboratories. Every step of a production process can be examined and strictly complies with relevant laws and regulations in agriculture, local fisheries, livestock, and small and medium enterprises (SMEs).

Agricultural Products

As a “**Trusted Partner**”, Makro has been continuously building sustainable growth for farmers and suppliers through collaboration from various sectors. Makro, as a facilitator, assists leading higher educational institutions, government agencies and private sectors in the pursuit of knowledge, advanced technology and management for each product category. The quality of the products has been improved, and the credibility of suppliers has been established for the sustainable growth of their businesses. Importantly, Makro provides suppliers with accurate database and data management system to efficiently plan their production, help them meet customers’ demand, and ensure that all of their products can be sold.

The project of enhancing the capability of orange farmers is one of several projects that Makro demonstrates its earnest contribution throughout the production process. Before planting, Makro facilitates in the collaboration between orange farmers, government agencies who are responsible for agricultural standards, non-governmental organizations (NGOs) that monitor the agricultural product safety and consumer welfare, and academic experts in producing quality and non-toxic oranges from higher educational institutions, to identify standard criteria for the products. Thereafter, we work together to develop a plan, a production process, and precautions for optimal crop efficiency. Once the cultivation

season begins, Makro’s team members and academic experts visit the plantation to closely facilitate and give advice to the farmers.

During the harvest season, Makro assists by sending product samples to leading laboratories in Thailand and overseas for inspection to ensure that the products meet the required food safety standards and are ready to deliver to Makro’s stores nationwide. Makro does not only source quality oranges for consumers but also help build the credibility of orange farmers as professional suppliers.

Makro Private Label Products

Another Makro’s great pride is that the Company fosters production development of small and medium enterprises to meet the industrial standard, so they can produce high quality products in equivalent to leading brands that can be sold at Makro’s stores to provide the customers with more options at affordable prices. As a result, those small and medium enterprises are able to earn sustainable business growth.

In the product sourcing process, quality control starts with the collaboration between Makro’s quality assurance team and suppliers to set product standards. At least 3 suppliers are involved in order to achieve quality competition. During the production process of product samples, Makro involves in production planning and problem solving as well as developing the best quality products to the best ability of each supplier. Thereafter, a preliminary product quality assessment will be performed to select the best to be released as Makro private label products.

This procedure reflects the ethics towards customers that Makro takes into account the safety and quality of the products together with affordable prices. It also reflects the ethics for suppliers affirming that Makro, as a distributor, has never abandoned them in crisis, but always build strength and grow together.

Challenges and Success in Ethical Sourcing

Makro’s former operation emerged significant results during the past year. Because suppliers of all sectors have adhered to the ethical sourcing, they do not need to adjust the production process during the COVID-19 pandemic. They simply apply additional measures to comply with government measures and international standards to prevent the pandemic while building consumers’ confidence that those production

sites and products are COVID-19 free throughout the supply chain. The important operations of Makro are as follows:

Closely Monitoring and Assessing the Situation

Makro closely monitors the COVID-19 pandemic in China including studying the impact on suppliers, consumers, and trade partners. The Company is well prepared for sufficient inventory management to meet the demand of customers in case of a crisis and provision of masks for all employees, especially in stores and distribution centers. Public health measures for suppliers, employees, customers, and other stakeholders are administered. When the COVID-19 pandemic occurred in Thailand and in other countries that Makro runs the business, the Company could continue its operation efficiently as usual.

Safety Product Enhancement

Makro enhances the level of safety in all aspects beginning from the production, transportation of products to the distribution centers and stores, and delivering them to customers. This is to ensure that all products are safe from COVID-19, and quality, safe and nutritious food are delivered to professional customers and consumers. The safety guidelines are not only implemented in Thailand, but also strictly mandated in overseas branches.

Price Control

During the COVID-19 crisis, some products are more demanding than production capacity. As a result, a temporary shortage of products occurred and their prices had risen greatly. With awareness of difficulties of customers and adhering to conduct business under ethical principles, Makro has delayed raising product prices as long as possible. Therefore, all customer clusters are able to operate their business and live their lives as normal as possible. For this reason, Makro can truly fascinate customers as a trusted partner. It is also found that the Company’s turnover is close to that of a normal situation.

Mitigating Oversupply

Under the severe global economic contraction and unusual trading conditions in 2020, many farmers suffered from agricultural oversupply and product price slump. During the past year, Makro had provided help, advice, and trading channels that encouraged farmers to overcome difficulties. For instance, Makro cooperated with the government in purchasing more than 300 tons of sea perch from farmers who suffered from economic crisis due to the slowdown sales of sea perch while the fish exceeded the standard weight for normal distribution. The ethics that the organization

adheres along with professional management made such aid a great success. It is a great pride that Makro has played an important role in helping Thai farmers.

The abovementioned challenges demonstrate Makro’s professionalism and business ethics to stand by suppliers and customers in normal and critical times to overcome every situation and grow together.



Food Safety

Food safety is the top priority of Makro’s business as food is one of the four basic needs for living and it directly affects human health. As a result, becoming the point of reference on food safety has been our focus for more than thirty years and, thus, included in strategic goals of Makro 4.0. The Company is committed to developing food safety standards to be number one food solution provider for professional customers.

Food safety, under Makro’s definition, means attentive concerns from the upstream to the downstream of the food chain. Food quality control measures according to the law and international standard including Hazard Analysis and Critical Control Point (HACCP) are strictly complied in order to control and examine food safety in all processes from the raw material selection, production, transportation, packaging and distribution to customers. Consequently, it is assured that food products at Makro are safe from physical, chemical, and biological hazards.

Food safety is the most important principle that restaurants uphold. Therefore, Makro as the center of raw materials for food professionals is aware of its critical duties and responsibilities towards the end consumers. The Company pays attention to all details and devotes in conducting research and development, in cooperation with local farmers, fishermen and suppliers who are in the upstream of food chain, to learn and develop together. Makro always realizes that sustainable growth means growing together throughout the food chain from the upstream, the midstream and the downstream. Even though Makro’s staff have over 30 years expertise and experience in food safety, the Company still focuses on studies to develop knowledge through collaboration with government and private agencies as well as higher educational institutions in order to provide good quality products with food safety standard for customers.

Quality Begins from the Upstream

At Makro, food safety begins from sourcing and selecting good quality and harmless raw materials. The Company works proactively with local suppliers, farmers and fishermen in exchanging knowledge and developing production process according to the basic sanitation and hygiene requirements and good food manufacturing guidelines such as Good Agricultural Practices (GPA) and Good Manufacturing Practices (GMP). As a result, the suppliers understand the correct guidelines on food safety. Furthermore, Makro cooperates with farmers to develop and build laboratories for food quality and food safety inspection as well as acts as a mentor to transfer knowledge on food safety and work in partnership with the community. Makro also provides consultation to suppliers on market direction and trends in order to enhance their strength and potential, add value to their products, and sustainably grow together with Makro.

The Company is an intermediary among suppliers' systematic networks that has been built to support one another in the production, for instance, beef cattle farmers, cattle breeding farmers, and organic grass farmers. Makro is also a facilitator in sharing knowledge on quality control and food safety as well as providing advice on market demand. This example of Makro's achievement and pride not only strengthens the community and thoroughly generates and distributes income to the locals, but also supports the Company's quality assurance commitment on food safety from the upstream of the supply chain.

The Company's focus from the upstream of the supply chain encourages local participation, income distribution, improvement of the Thai farmers' quality of lives, and food safety stabilization in the country so that Thais can consume safe and quality food. The Company further strengthens the economy according to the policy **to enrich farmers' lives** accounting on 3 benefits towards sustainability, i.e. the economic benefits of the country, farmers and customers.

Fresh Food is Traceable

Hotel, Restaurant and Catering customers (HoReCa) are an important part in supply chain. Makro pays attention to HoReCa customers by sharing knowledge in every detail, leading to the establishment of **"Makro HoReCa Academy" (MHA)** as the food business learning complex through online courses and workshops. The courses are conducted by food experts from various fields with the purpose of sharing

knowledge and experiences in food business management from sourcing the ingredients, selecting kitchenware, cooking, storing food with quality and safety standard as well as advising on marketing and cost management.

To develop additional resource of food nutrition information, the Company signed the Memorandum of Understanding (MOU) with the Institute of Nutrition, Mahidol University and collaborated with the People's Network to set up database on food nutrition for all food products at Makro. The first phase starts with fresh food products. Apart from food safety standard inspection, all fresh food products must be inspected from an internationally certified university's laboratory to ensure that all fresh food products are qualified and safe for health. Moreover, to improve our database on traceability, Makro partners with CPF IT Center Co., Ltd. to develop "Makro i-Trace". By scanning QR Code on a product's label, customers can trace the product's origin, food nutrition information, and general knowledge for consumers. Presently, over 20,000 items are traceable through "Makro i-Trace". In addition to sharing knowledge with HoReCa customers, the system is to confirm that **Makro is the point of reference on food safety.**

Increase Preventive Measures on Food Safety

In response to the widespread of the COVID-19 pandemic since the beginning of 2020, Makro has escalated strict measures in all processes especially in fresh food to ensure that safe and quality food can be delivered to customers. Well prepared by the experiences and knowledge learnt from the past outbreak of African Swine Flu in pigs and Bird Flu in poultry in Thailand, Makro can efficiently manage the situation during the COVID-19 pandemic. The quality and safety of foods and raw materials at Makro are still maintained and available for customers during the crisis.

Next Step of Food Safety

Over 30 years of commitment, in 2020 all 137 Makro stores in Thailand were accredited with certificates **"SAFETY MARKET"** from the Ministry of Public Health; **"LIVESTOCK OK"** which means places for distribution that comply with good hygiene and safety control on meat products; and **"ISO 22000:2018"** for bakery products whereby Makro was the first retailer and wholesaler in Thailand to achieve this certification for all branches.

Nevertheless, Makro still keeps improving food safety and quality management. The standard for assessment and certification of product called Makro Initiative Accredited (MIA) initiated in 2019 has been developed and improved to promote Thailand's food safety standard at an international level and to provide more options for private sectors. Additionally, Makro is expanding the standard of Makro Quality Pro (MQP) which is the current quality control standard for vegetables, fruits, and meat products from the origin to customers so that they can trace back to all processes through Makro i-Trace.



Reduce Environmental Impact

Makro realizes that environmental responsibility is the foundation of a sustainable business, which has led to the business framework that concerns the environmental impact in all aspects to which Makro has been adhering for more than 30 years. As one of the major distributors with over 144 stores in Thailand and overseas, waste from deteriorated products and energy consumption is the main concern of the Company.

Factors Leading to Success in Reducing Food Waste and Worn out Packaging

More than 90 percent of Makro's products are food, which is more likely to deteriorate and turn into food waste that directly affects the environment. Such facts lead to the determination to develop the food product management process from suppliers to customers. As a result, Makro has continuously decreased food product deterioration and reduced the amount of food waste for several years. The three factors that contribute to the success in reducing Makro's food waste are as follows:

1) Personnel's Knowledge and Understanding

Personnel play an important role in reducing product deterioration, especially fresh food. Makro's food management begins with forming knowledge and understanding in food product preservation as well as increasing awareness of environmental impacts in case that those deteriorated products become food waste. Knowledge and experiences of food product management are delivered from generation to generation through academic training and on-the-job training. Makro's personnel, therefore, have a deep under-

standing of the objectives of each step of operations which is a key driver in the reduction of deteriorated products that may lead to food waste.

2) Modern Technology

Modern technology has been applied to reduce the amount of food waste both directly and indirectly. In 2020, Makro had introduced E-ordering Application to manage product orders of the stores. This makes ordering efficient and accurate as well as corresponding to actual sales, resulting in the quantity of deteriorated products to be lower than the minimum specified. To dispose the deteriorated products, the Company has set up an application, as a database system, called the Shrinkage Management System. The process of disposal recorded on this application starts from weighing the products, taking and saving images, and storing data on the cloud. As a result, accurate data is obtained and verifiable for further analysis and development of food waste reduction.

Moreover, Makro has created packaging innovation to reduce the use of plastic, for instance, reducing the thickness of the plastic bags for vegetables and fruits and changing the perforation pattern in the bags to be smaller but more diffused. This is not only to have a strong bag, but it can also keep the quality of fruits and vegetables fresh for longer. With technological know-how and attention to detail enable Makro to continually reduce the environmental impact of plastic bags. Remarkably, Makro is the first manufacturer to stop using plastic cap seals and shorten the caps of drinking water bottles under Makro brand, resulting in reduction of the use of plastic resins in packaging production.

3) Management

Products with unusual condition or weight, but still retaining their nutritional value, are sold at special prices to avoid being disposed or rotten which will finally affect the environment.

Makro realizes the importance of proper waste disposal that will not have negative impact on the environment. Therefore, the handling of food waste and packaging used for transportations of goods such as cardboard and foam crates, and worn out assets are auctioned for proper handling by licensed agencies. This is to ensure that Makro's waste disposal operations will not have any impact on the environment.

Development of Environmentally Friendly Infrastructure

The Company has improved various infrastructures, especially buildings that are environmentally friendly. At present, Makro stores have been designed to use the most energy-efficient equipment, for example, the use of LED lamps and high-efficiency air conditioners throughout the buildings. The Company focuses not only on the construction of new buildings to be environmentally friendly, but also the existing ones to be improved in the same direction. Makro has undertaken the installation of solar rooftop systems for more than 52 stores, with generating capacity of 28 megawatts and maximum capacity to generate electricity at approximate 20 percent of the total electrical demand of the building. In addition to the efforts to increase the proportion of clean energy consumption in buildings, the Company has joined the project of generating electricity from solar cells with the Greenhouse Gas Management Organization of Thailand to register a project to reduce greenhouse gas emissions into the atmosphere, with the reduction of 12,137 tons of carbon dioxide equivalent per year (tCO₂eq / year).

Moreover, in 2020, the Company was also certified to reduce greenhouse gas emissions into the atmosphere from the rooftop solar power generation project (phase 1) of 4,351 tons of carbon dioxide equivalent during the credit period of the project between 1 January 2020 - 31 May 2020.

Development of environmentally friendly infrastructure is another achievement that happened in 2020, for example, Makro Salaya branch was endorsed at the Platinum level on Global Sustainable Energy and Environment Standard under the project “TOGETHER WE CAN, Create the Sustainable World with GSEE” organized by the Provincial Electricity Authority.

Makro has continued its environmental stewardship business. In 2020, the Company was honored by the Ministry of Natural Resources and Environment and the German International Cooperation Organization of Thailand (GIZ) to provide knowledge on energy efficiency enhancement and reduction of greenhouse gases in refrigeration by using natural refrigerants. This can be considered as another intention to encourage business groups and professional customers to take care of the environment.



Make Our Customers Prosper

From the first day of operation, Makro has always placed importance on taking part in developing competitiveness and enhancing business growth for professional customers by focusing on developing products and services that truly meet their needs. No matter how the situation changes, whether in good times or during crises, Makro remains committed to being “Your Trusted Partner” over the past 30 years.

Changing Situations Create New Business Opportunities

The COVID-19 pandemic causes a broad economic impact, especially on tourism, hotel, restaurant, and catering businesses. At the same time, the economic contraction affects retailers or Sho Huay operators to face intense competition with major players, while coupled with cautious spending of customers in the neighborhood.

Makro has closely monitored the COVID-19 pandemic including the impact of economic conditions on each group of professional customers and foreseen the changing behaviors of customers and consumers. During the crisis, Makro has empowered all units to adjust plans and develop Quick-Win Projects to reduce business impact and help farmers, local fisheries, small and medium-sized suppliers, and professional customers so that they can carry on their businesses through this crisis. Makro added an online business consulting service which is in line with a new normal way of life, along with buying products impacted by the crisis such as taro, sea perch, shrimp, and seafood, etc. Makro also provided the area, free of charge, in front of Makro stores for restaurant operators to sell ready-to-eat boxed menu. These activities were in order to support the business of upstream suppliers and the ability of Makro’s professional customers to continue their business.

Makro HoReCa Academy Program for HoReCa Customers
Makro HoReCa Academy (MHA) was established as an integrated knowledge center for HoReCa customers. The center focuses on building skills and knowledge in various aspects that are necessary for restaurant management. Customers can access online courses at any time, as well as through workshops held regularly with free of charge at Makro Headquarters and Makro stores nationwide. MHA also provides business and technical advisory services by

experts with experiences and expertise in each field of food business. It is also an intermediary for networking between food business operators with the aim to achieve experiences and knowledge sharing, inspire new professional customers, and build sustainability and strength to the food business of Thailand.

With the care and professionalism of Makro’s team, despite the rapid spread of COVID-19 and its severe consequences, Makro is able to approach the problems of HoReCa customers and immediately provide concrete solutions to help them, for example,

Launching New Online Courses: As a result of the pandemic, a number of customers sitting in the restaurants decreased significantly. To help the restaurant operators adjust and continue their business, Makro launched new specialized courses in response to changing consumption trends, such as ready-to-eat boxed menu, food photography techniques and Facebook marketing, cost and restaurant management during rush hours, and menu adjustment to increase sales and profits, etc. All courses can be accessed at any time for free through the website, www.makrohorecaacademy.com and Makro’s Facebook page. Makro also offers comprehensive consulting services by experts from various fields in the food business and helps promote the restaurants of HoReCa customers through the Company’s website and online media under the project named “**Collection of Great Restaurants, Great to Tell, Ready to Order, Ready to Serve**” with over 2,000 restaurants participated nationwide.

Support for New Professional Customers: This project aims to help the laid-off or the unemployed to have their own business with an initial investment of only Baht 1,000. Makro has prepared a video tutorial on how to make simple but good-selling dishes, such as assorted omelet recipe. In addition, the team has provided advice and planning from the purchase of fresh food and necessary kitchenware, menu selection, and accounting for income and expenses, etc. This project has received great attention and can help those affected by the crisis to start the business.

Makro Retailer Alliance...for Shohuay from our heart
Retailers, or “Shohuay”, have been valuable family members since the first day Makro began operating in Thailand. Over 30 years, Makro has a constant relationship with all customers that helps to acquire problems, obstacles, needs and

expectations, including comments about Makro’s products and services. Consequently, the obtained information has been analyzed to improve and develop products and services to meet customer needs and solve those particular problems.

Throughout the years, Makro has dedicated to helping increase competitiveness and income for retailers which is the rationale of the establishment “Makro Retailer Alliance” to serve as a center for providing services and advice to retailers. MRA has involved in every step from store opening, product selection, product placement, store management, store improvement, including the provision of virtual store planning services with 3D programs, etc. The Company also works with the Department of Business Development, the Ministry of Commerce, to create a project **to develop modern retailers to become smart Shohuay**, for new generations of Shohuay operators who want to inherit their family’s retail operation to be able to strengthen their business sustainably.

Community Kitchen: Due to the fact that Shohuay stores scattered in communities all over the country, Makro thus foresees that they can be upgraded to be community kitchens providing fresh, chilled and frozen food products to people nationwide. Last year, Makro focused on developing facilities and products under the “**Community Kitchen**” project, consisting of freezers, chilled refrigerators, and various types of meat in special packaging ready to sell to end consumers. Due to the COVID-19 pandemic throughout the year, the Community Kitchen project has been well accepted by retailers and can actually increase their profits.

In addition, Makro continuously arranged annual events for Shohuay operators, such as “**Shohuay Day: A guide for higher profits with New Normal Thai Shohuay**”, an activity to educate and introduce good techniques in doing business from guest speakers and Makro Retailer Alliance. This events were held across 4 regions of Thailand from August to November 2020. Another big giveaway campaign, “**Makro Jadhai - Give more, Get More**”, has been held for nine years, in collaboration with business partners to sell more than 5,000 items at special prices. This campaign aims to reduce costs of Shohuay operators – supplying them with all the necessary products at lower cost that can be sold at competitive prices. “**Makro Retailer Expo**” in 2020 was changed to an online format via Facebook Live channel and was very successful with more than 3.7 million views.

Together in New Normal Way of Life

Due to the change in customer's demand together with the shift towards digital era and a cashless society, professional customers have the same needs of those individuals. Apart from the variety and quality of the products, customers also expect swiftness, convenience, and traceability.

In 2019, Makro officially launched the **Offline to Online Ecosystem ("O2O")** which integrates offline product distribution channels with online platform sales channels through the website "**makroclick.com**", the mobile application "**Makro Application**", "**Makro Line Official Account**," and through the Company's salespersons. Through various channels provided, customers can choose the type of payment, such as cash, credit card, bank transfer and E-Wallet applications. Moreover, customers who prefer delivery are able to use "**You order, we deliver**" service, providing them with options for a common delivery (Last-mile Delivery) or an express delivery (Speed M Express Delivery). In addition, an expedited pick-up at the store (Curbside Pick-up) is also provided for those who wish Makro to prepare the purchased items for pick-up at the service point.

Last year, the COVID-19 pandemic resulted in an exponential growth of demand for online shopping. Besides developing various projects as already mentioned, Makro has also accelerated the improvement of the efficiency of the O2O system in order to keep up with customer needs and expectations. At present, there are more than 12,000 items in every product line available for customers through the online platform together with 6 Pick & Pack hubs in Bangkok and stores scattered throughout the country. Hygiene and safety are the main focus in packaging and delivery processes in order to provide fast delivery while maintaining good quality and freshness to customers.



Employer of Choice for All Generations

The achievement of Makro is derived from the employees with accumulated knowledge, capability, and experience for more than 30 years. Nevertheless, moving forward to the future, the organization is required to agreeably integrate the knowledge and experience of the older generation with the skill and capability of the younger generation. According to the strategic goals of Makro 4.0, the Company aims to **"Become Employer of Choice for All Generations"** by focusing on employee engagement and modernizing the organization development, which lead to the enhancement of corporate branding and the attraction of talents in every generation to work with Makro.

Building Employee Engagement

Employee engagement is crucial in maintaining qualified, capable, and efficient employees in the organization. Makro places importance on taking care of employees in all aspects such as assigning proper job descriptions and responsibilities, career path opportunities, rewards, compensations, happiness in the workplace to make employees happy and deliver that happiness to customers who come for services at Makro. This also results in the noticeable and continual drop of the turnover rate in 2020. Moreover, last year regarding to the survey of employee engagement, the result was satisfactory, and the score was more than double from 2017.

Taking Care of Employees in Good Times and Hard Times

Last year, several natural disasters occurred in Thailand, affecting the livelihood of the employees and their families in the affected areas. Makro has a long-established policy to take care of employees as family members, and we immediately helped and alleviated sufferings of employees and their families as soon as an incident was reported such as providing the emergency relief bags and temporary accommodations.

The COVID-19 pandemic was the biggest challenge in the past year. Makro established strict safety measures and provided protective equipment for the employees to ensure that all employees who work at stores, distribution centers, and headquarters would be safe from the COVID-19. To reduce the risk of infection and to keep the business running continuously, the Company adjusted the working processes and prepared necessary office tools for employees to work from home. Moreover, concerning on health and well-being of employees, Makro offered COVID-19 insurance for every employee and covered the expenses of COVID-19 testing for the ones who were at high risk in the workplace. The Company also established measures to alleviate the pandemic impact for the employees' families such as offering a cash coupon to purchase necessary items in the store, approving a short-term, interest-free emergency loan in case their family members were in difficulties, e.g. job termination or the closure of family business. Food delivery was also provided for those in a quarantine period.

The Company recognizes that employees are the important factor that helped lead the business through this crisis. Even the economy is in a decline and the recovery plan is uncertain the Company has never had any policy on lay-off and salary reduction. On the other hand, the Company has approved a special bonus to show appreciation and encouragement to employees for their dedication towards customers. With the efforts to protect and care for the employees, none of Makro's employees were infected with COVID-19 last year.

In 2020, Makro was rewarded with the **"HR Asia Best Companies to Work for in Asia 2020"** award as an honor and a proof that the Company places importance on employees' well-being and human resource development.

Modernize the Organization

Besides modernizing the business model in response to the change in customer's behaviors in digital age, the Company also made improvement to the internal management and operational processes. The Company emphasized in the knowledge and skill development on digital literacy along with general professional development relevant to each employee's duty and responsibility. Moreover, the Human Resource Department applies technology to enhance the operational efficiency such as using social media in recruitment, online job applications, and online job interviews for the applicants to register through QR code. The Department implements technology in the operation like manpower planning program, performance assessment program, self-learning development program on online platform or M-Learning, etc. so that Makro can achieve its goal in operating the business and becoming the 'Employer of Choice for All Generations'.

Social Responsibility



Henhouse
for sustainable Lunch

Returning Good
People with Decent
Career to Society



U Project

Blood
Donation,
Doing good
through
Giving



Say Hi To Bio,
Say No To Foam



Offered
Scholarships
to local primary
schools when opening
new stores



Lamyai
Pansuk



Makro
stands side
by side with
Thai farmers



Local Love

Makro is fully aware of the social responsibility and duty as a good Samaritan and is committed to conducting ethical business and strictly complying with the laws, rules, and regulations by cooperating with local authorities in order to develop a strong community that can sustainably grow together.

First Step in the Community

Before starting the business in each area, Makro discusses with local authorities in order to recognize problems and limitations and find solutions for public interest, for instance, to create job and generate income for the locals, with an aim to hire 80 percent of local staff; to share knowledge of manufacturing process development with local farmers so as to increase the productivity and the quality according to food safety standard and market demand; and to collaborate in academic way to build laboratories for food testing. The Company intends for local farmers to sustainably grow together. Additionally, before opening each new store, Makro has, over 30 years, offered scholarships to local primary school students and continued to support educational development projects.

Engaging with Social Projects.

During the course of business, Makro always cares for the local community and society with the purpose of creating strength and sustainability. The Company has continued to carry out several social projects, for instance,

- **“Henhouses for Sustainable Lunch”** is the project that is offered to Border Patrol Police Schools and schools in remote areas.
- **“U-Project”** is the cooperative project with 85 universities across the country. The project offers students hands-on experience by applying business management knowledge to improve Shohuay businesses in their community. Makro Retailer Alliance team assists in sharing knowledge and consultation to the students.
- **“Returning Good People with Decent Career to Society”** is the collaborative project with the Department of Corrections to provide knowledge and to teach cooking skills for inmates who are about to release. As a result, they are prepared and ready to apply those knowledge and skills to start a new life with a proud and decent career.
- **“Makro Volunteers for Blood Donation, Doing Good Through Giving”** is the collaborative project with the

National Blood Center, Thai Red Cross Society to serve as blood donation centers at over 120 Makro stores nationwide and to facilitate local people who want to donate blood. It is a channel to alleviate the ongoing shortage of blood.

- **“Lamyai Pansuk”** is the project to return profits to the society. One Baht for every purchase of one kilogram of longan will be donated for the purchase of necessary medical supplies for the elderly who live in the longan production areas in Chiang Mai and Lamphun.
- **“Say Hi to Bio, Say No to Foam”** has been launched since 2019 to campaign for food professionals against the use of disposable foam packaging and to replace with eco-friendly packaging made from bamboo pulp, bagasse, corncobs, etc. Currently, 52 Makro stores stop supplying foam packaging. The Company set the target to stop selling foam packaging and completely replace with compostable packaging in every store by 2022.

Side by Side in Crisis

The past year, Thailand has experienced several natural disasters, especially flood in different areas. Makro has closely worked with local authorities and promptly updated the situation so that the emergency response is timely provided to alleviate the community’s sufferings in that area.

Another major crisis is the COVID-19 pandemic that widely affects the economy. Under such crisis, Makro stands side by side with customers, suppliers and Thai society to overcome this crisis together. In addition to strict pandemic prevention measures to keep clean and safe for customers and staff at all stores, Makro provides spaces, with free of charge, in front of the stores for restaurant operators whose businesses are affected to sell takeaway food. Makro also assists farmers affected by COVID-19 in purchasing agricultural products that are oversupply and serving as distribution channel, for example, purchasing Seaperch from Songkhla Province, purchasing fragrant taro from Saraburi Province under the policy **“market-led production”** to develop and support farmers, and purchasing shrimp from local farmers affected by the new wave of COVID-19 pandemic recurred at the end of 2020. Furthermore, Makro donates necessary items and medical supplies to over 80 hospitals nationwide.

Additional details are described in “Sustainability Report 2020”.

Nature of Business



Under the vision **“To be number one food solution provider for professional customers”**, the Company set a clear business direction that **“Makro”** is the **“Trusted Partner”** of its professional customers. Over 30 years, the Company has been committed to developing its business, products and services to be in line with the needs of the customers together with expanding the business in Thailand and abroad through various formats and sales channels in order to create a competitive advantage.

Currently, the Company’s business is categorized into three types, including (1) Cash and Carry Trade Centers (**“Cash and Carry Business”**), (2) import, export and distribution of frozen and chilled products, with storage and delivery services (**“Food Service Business”**), and (3) other businesses that support the core business of the Company.

1. Cash and Carry Business

The Company operates a cash and carry business under the name “Makro” with the right to use the trademark granted by CP All Public Company Limited for operating cash and carry business in Thailand, Cambodia, People’s Republic of China, and the Republic of the Union of Myanmar. In addition, the Company also operates the cash and carry business in India under the name “LOTS Wholesale Solutions” where the Company owns the trademark.

Cash and carry business is the core business of the Company. Currently, the Company has its stores in Thailand and in four other countries in Asia, including Cambodia, India, the People’s Republic of China, and the Republic of the Union of Myanmar, focusing on selling food and non-food products to professional customers. The Company has been successful in selling food and non-food products to the customers along with expansion of customer base that are small to medium sized business operators in various industries. At the end of 2020, the Company had more than three million registered customers. Target customers of the cash and carry business can be categorized by the nature of business as follows:

1. **Retailers** : Retail operators selling consumer products that are scattered all over the country, including grocery stores, mom & pop shops, minimarts, stationery shops, etc.

2. **HoReCa** : Hotels, restaurants, and catering business operators including small restaurants, street food vendors that are mostly small and medium sized operators that sell various kinds of food and drinks.
3. **Service** : Service business includes government agencies and businesses in various sectors including service operators, schools, hospitals, non-profit organizations, beauty shops, printing press, laundry shops, and other business operators.

Through customer-centric strategy, the Company realizes the importance and constantly monitors the change of customers’ needs and expectation, leading to improvement of products and services and truly becoming a trusted partner of professional customers. Currently, Makro Stores sell various kinds of food and non-food products, which can be categorized into three main groups as follows:

- 1) **Fresh foods** : Fresh vegetables and fruits, meats, seafoods, dairy products, frozen and chilled foods, etc.
- 2) **Dry foods and essential items in daily routines** : Beverages, snacks, cleaning supplies, cosmetic, toiletries and cleaning products, etc.
- 3) **Non-food products** : Electrical appliances, kitchenware, equipment used for hotels, restaurants and catering businesses, apparels, stationery, office supplies, sports equipment, home appliances, etc.

Besides the general third-party labeled products, the Company added options for its customers by selling products under the Company’s trademarks (private labels) by outsourcing qualified and capable manufacturers to manufacture products under the Company’s private labels.

The Company identifies the specifications and the recipe of the products. Selling private label products aims to provide the customers with options by offering good quality products in reasonable prices. The private label products are improved and developed continuously to meet the rapid change of customer needs.

Sales Channels

With cash and carry as a core business, the Company is committed to developing its business model constantly in response to different needs of each group of professional customers that change over times. At present, the Company sells the products through Makro Stores (offline channel) and the omni-channel sales and services platform, which integrates various sales channels and extends the business through the network of existing offline channel.

At the end of 2020, the Company had a total of 144 Stores, including 137 stores in Thailand and 7 stores in overseas with 6 store formats and differentiation in terms of location, sales space, and product assortments according to the following details:

Classic Stores

Makro’s Classic Store has been designed and developed under the concept of “**Extensive Products, Good Service, Low Price**”, with retailers as the target customers. Each store has the sales space of approximately 5,500 – 12,000 square meters. The main advantage of this store format is the comprehensive products for both fresh foods and dry foods with reasonable prices for retailers to resell and make profits.

Foodservice Stores

The Foodservice Store is the new format that has been designed and developed as a one-stop outlet in response to the needs of HoReCa customers. Each store has the sales space of approximately 1,000 – 5,000 square meters. The highlights of this store format is the variety of products, including fresh foods, frozen foods, dry foods, cooking ingredients, cooking appliances, and necessary equipment for hotels and restaurants. The first store began its operation in 2012 in Hua Hin District, Prachuap Khiri Khan Province.

Eco Plus Stores

The Eco Plus Store has been designed and developed from the Classic Store with enlarged sales space for fresh foods in response to the needs of the professional customers, both retailers and HoReCa. Each store has the sales space of approximately 7,000 square meters, located in area with high density of hotels and restaurants and high potential growth in tourism industry.

Food Shops

The Food Shop has been designed and developed for selling fresh foods and frozen foods in a smaller but comprehensive scale in order to serve small and medium sized HoReCa customers in their nearby business to reduce their travel time and increase their convenience. The Food Shop has the sales space of not exceeding 1,000 square meters.

Fresh@Makro Store under the name “Fresh@Makro”

The Fresh@Makro Store is a newly launched format that was recently developed to focus on the sale of fresh foods. The first store is located on Ramindra KM 4 Road in Bangkok with an inauguration in June 2020. The Store has the sales space of 800 square meters to serve small and medium sized restaurants in the nearby area in order to reduce their travel time and increase their convenience as well as to serve big family customers, with higher tendency to cook their own food.

Frozen Shops under the name “Siam Frozen”

Siam Frozen is another format in a smaller-scale shop that was developed to add a sales channel by focusing on frozen foods and dry foods for small and medium sized restaurant operators in the nearby location. Each shop has the sales space of approximately 80 – 260 square meters.

In addition to the continuous business expansion in Thailand, the Company began its overseas business expansion in 2017 by focusing on countries in Asia that have high potential growth. The Company relies on the knowledge, experience, and expertise in store operation. Currently, the Company has 2 stores in Cambodia, 3 stores in India (under LOTS Wholesale Solutions), 1 store in China, and 1 store in Myanmar, for the total of 7 stores. The store format, products and services are adapted to the diversity, the culture, and the nature of the business in each country.

At year end, the number of stores in each format is as follows: (Unit: Stores)

Number of Stores	Year 2018	Year 2019	Year 2020
Thailand	129	134	137
Classic Stores	79	79	79
Foodservice Stores	25	28	30
Eco Plus Stores	13	15	15
Food Shops	5	5	5
Fresh@Makro Stores	0	0	1
Siam Frozen Shops	7	7	7
Overseas ⁽¹⁾	3	6	7
Total	132	140	144

Remark: (1) Excluding 1 restaurant/small-sized retailer (minimart) under the Food Service Business in the United Arab Emirates.

Given that the current society is moving towards a digital and cashless society, purchasing behaviors of most customers have changed. In addition to the quality and the completeness of products, the customers expect excellent services in terms of convenience and speed. The Company, therefore, expands its sales and service channel via Offline to Online Ecosystem (O2O), which creates omni channels that the customers can choose to purchase from the main channel of offline stores, or an online platform via “makroclick.com”, “Makro Application” on mobile, “Line Official Account” and sales representatives of the Company. The customers can choose to make payment, as well as to collect the purchased products, through various channels including cash, credit card, bank transfer, and e-wallet. The customers can also opt for the Last-mile Delivery Service, Speed M Express Delivery, or Curbside Pick-up.

The Company remains focused on the collaboration to improve the customers’ competitive advantages and strengthen their prosperity in addition to the improvement of products, services and business model as illustrated above. The Company also arranges several projects and activities that would benefit professional customers, for example:

Projects	Target Customers	Objectives and Details
Makro Retailer Alliance “MRA”	Retailers	To enhance the capabilities of small retailers by providing advice and knowledge in retail shop management through main activities such as “Makro Retailer Expo”, and a manual for new shop opening, etc.
Makro HoReCa Academy “MHA”	HoReCa	To enhance the capabilities and promote the sustainable growth of the hotel, restaurant and catering operators by focusing on building knowledge in business development in several events such as knowledge sharing through e-Learning Center where the business operators can study at anytime without costs at https://makrohorecaacademy.com

Projects	Target Customers	Objectives and Details
Makro Culinary Center “MCC”	HoReCa	To serve as an integrated learning center and to build capabilities of hotel, restaurant and catering business operators, including a research and development center for fresh foods and dry foods by having customers engaged in product testing and quality assessment before selling and a training center to share knowledge and trends in food business as well as cooking techniques and food business management by focusing on new business operators.
Makro HoReCa Events	HoReCa	To share knowledge, to encourage innovation, and to inspire the business operators to expand their business through the events to demonstrate new products by using the Company’s private labels, proposing food innovation, sharing and exchanging knowledge through various activities in the event.

2. Import, Export and Distribution of Frozen and Chilled Products, with Storage and Delivery Services (Food Service Business)

To achieve its vision, the Company strengthens its business operations through the import, export and distribution of frozen and chilled products, with storage and delivery services **(Food Service Business)** under the management of Food Service Asia Pacific and Middle East (Food Service APME) business unit. As at the end of 2020, the Company has established its Food Service Business in 6 countries, including Thailand, Cambodia, Vietnam, Singapore, Hong Kong, and the United Arab Emirates.

As most of the products of the Food Service Business are premium products imported from overseas, which are different from the products sold in Makro Stores in terms of quality, variety, and price. Target customers are such as 4-5 star hotels, high-end restaurants, leading hospitals and airlines.

The advantage of our Food Service Business is the expertise in procurement and selection of premium food ingredients from high quality origins. There are six main products, including:

- 1) Frozen and Chilled Meat : beef, lamb, pork, etc.
- 2) Frozen and Chilled Seafood : black cods, salmon, scallops, crab claws, lobsters, etc.
- 3) Frozen and Chilled Fruits and Vegetables : beans, mushrooms, potatoes, berry fruits, etc.
- 4) Processed Foods and Dry Foods : sausages, processed meat, tortilla wraps, spaghetti, olive oil, sauces and spices, etc.
- 5) Dairy Products : cheese, butter, cream, etc.
- 6) Halal Foods

In addition to the premium products sold under the leading labels, the Company adds options for customers by selling products under its own private labels, including premium sausages under the brand “Carne Meats”, seafood under the brand “Ocean Gems”, and Halal dimsum under the brand “Masterpiece”.

3. Other Businesses that Support the Core Business of the Company

The Company realizes the business opportunity in food service from the ASEAN Economics Community, which correlates with the vision of the Company. Therefore, a service company was established to provide technical and management support to its subsidiaries for business expansion, including services in marketing, advisory and distribution in the Republic of the Union of Myanmar.

Future Plan



To achieve the vision “**To Be Number One Food Solution Provider for Professional Customers**”, the Company continuously cultivates its business development plan by focusing on the store expansion as its core business. Within the next five years (2021-2025), the Company plans to expand its stores in Thailand every year, mainly through Makro Foodservice Stores in a small scale with the sales area of approximately 1,000-3,000 square meters. The Company focuses on the tourism and urban area with high potential in responding to the expansion of the food and tourism industry according to Thailand’s strategic plan.

To establish business stability and sustainable return to the Company, store expansion in foreign countries are continuously and proactively explored. The Company aims to expand its stores in 4 countries with existing establishments including Cambodia, India (under LOTS Wholesale Solutions), the People’s Republic of China and the Republic of the Union of Myanmar. The format of stores, products and services may be adapted to meet the culture and the local business context in each country.

In addition to the expansion of the offline stores, the Company simultaneously develops a proactive business expansion plan through Offline to Online platform (O2O). Even though the O2O platform received good response from customers and was one of the factors to drive business

growth last year, the Company is committed to improve its services and business potential of the platform. This improvement will continue together with the development of new retail channels to create seamless customer experience for the customers, which leads to sustainable growth.

The advanced technology will be applied for the above store expansion to build convenience and impressive experience for the customers, to improve efficiency in store management, and to study and analyze customers’ behaviors in depth when purchasing the products or acquiring the services.

At the same time, the Company is committed to being loved by the locals and promote good quality of life. The Company is determined to expand the Makro Retailer Alliance in other countries where the stores currently exist. The study and analysis on the customers’ behaviors within the area and the study on the culture and business context of the retailers in the local community are conducted to determine an appropriate plan to improve the retailers’ business, develop a retailer manual in local languages to be used as resources for the entrepreneurs, and cooperate with local farmers and local fishing business to improve the business potential and uplift the quality of the products and process to meet international standards for the export to foreign countries, which leads to the sustainable growth of local entrepreneurs.

Business Structure

Siam Makro Public Company Limited

Cash & Carry Business

Thailand



International



99.99%

Pro Mart Company Limited
(Thailand)

99.99%

Makro ROH Company Limited
(Thailand)

100% ARO Commercial Company Limited
(Myanmar)

100% ARO Company Limited
(Myanmar)

70% Makro (Cambodia) Company Limited
(Cambodia)

99.99% CP Wholesale India Private Limited
(India)

100% Makro (Guangzhou) Food Company Limited
(China)

100% Guangzhou Huadu Makro Food Supermarket Company Limited
(China)

Food Service Business



100%

Indoguna Vina Food Service Company Limited
(Vietnam)

99.99%

Siam Food Services Limited
(Thailand)

80% Indoguna (Singapore) Private Limited
(Singapore)

80% Indoguna Dubai Limited Liability Company
(UAE)

80% Indoguna Lordly Company Limited
(Hong Kong)

80% Just Meat Company Limited
(Hong Kong)

80% Maxzi The Good Food Restaurant & Cafe Limited Liability Company
(UAE)

100% Indoguna (Cambodia) Company Limited
(Cambodia)

Revenue Structure

The Company’s core earnings were derived from Makro Cash and Carry business. Other revenue contributors were Food service business and other businesses that support the core business of the Company. The details of revenue structure (the revenue after revising connected transactions) are as follows:

(Unit: Million Baht)

Activities/ Products/ Services	Operated by	% Shareholding of the Company	Fiscal year ended 31 December					
			2018		2019		2020	
			Amount	%	Amount	%	Amount	%
1. Makro Cash and Carry/ Makro Foodservice/ Eco Plus/ Makro Food shop / Siam Frozen (domestic and overseas) Sales of consumer goods and other income*	SML	-	185,440	96.1	200,365	95.1	207,862	95.0
	CPWI	99.99	499	0.3	1,898	0.9	2,603	1.2
	MAC	70.00	1,264	0.7	2,462	1.2	2,922	1.3
	MGZ	99.99	-	-	60	0.0	205	0.1
	MM**	99.99	-	-	1	0.0	892	0.4
2. Providing management, technical consultancy and support services Sales of goods and services and other income*	MROH	99.99	1	0.0	-	-	-	-
	ARO***	99.99	-	-	-	-	-	-
	PRO**	99.99	-	-	-	-	-	-
3. Importing and trading of frozen and chilled foods Sales of goods and services and other income*	SFS	99.99	2,518	1.3	2,632	1.2	1,857	0.9
	INDV	100.00	433	0.2	405	0.2	288	0.1
	INDS	80.00	1,755	0.9	1,683	0.8	1,199	0.5
	INDD	80.00	537	0.3	556	0.3	412	0.2
	JM	80.00	-	-	-	-	-	-
	INDL	80.00	399	0.2	389	0.2	341	0.2
	INDC	99.99	71	0.0	149	0.1	138	0.1
4. Restaurant and minimart Sales of goods and services and other income*	MAXZI	80.00	13	0.0	27	0.0	41	-
Grand Total			192,930	100.0	210,627	100.0	218,760	100.0

Remark * Revenues after elimination
** Currently in the process of preparing to operate a business
*** Currently in the process of business closure

Management’s Discussion and Analysis of Financial Position and Operating Results

Economic Outlook

The COVID-19 pandemic has severe implication for the economy since the first quarter of 2020. Government’s precautionary measures and the economic recession affected tourism industry and led to a large-scale closures of hotels, restaurants, and airlines - which are the main customers of Makro. The subsequent increase in unemployment amid concerns over the economic crisis hammered consumer confidence, triggering increasing precautionary savings and cautious spending. Numbers of producers and farmers faced with oversupply and liquidity problems.

Thai economy signaled recovery in the third quarter upon relaxation of the restriction measures, supported by government stimulus package which induced private in consumption. Tourist provinces close to Bangkok saw a gradual improvement, however the local outbreak of COVID-19 around mid of December 2020 stalled the economic recovery and domestic tourism.

Likewise, Asia Pacific countries where the Company has business in presence, noted a serious impact from the COVID-19 pandemic and government stringent measures. The economic in China appeared positive in the latter half of the second quarter, while the situation in India was still severe. Cambodia and Myanmar were also challenged with the second outbreak of the COVID-19.

Business Operations and Development

In 2020, the Company commenced four new stores (3 stores in Thailand and 1 store overseas) including the first “Fresh@Makro” Store (on Ramindhra K.M. 4 Road, Bangkok, Thailand) in the newly launched format and the first Makro store in Myanmar (Sat San Branch, Yangon). At the end of 2020, Makro owned and managed a total of 144 stores (137 stores in Thailand and 7 stores overseas)

Makro’s business in Thailand: In 2020, apart from store expansion, to soften the impact of COVID-19 pandemic, the Company focused on product and service development that aligns with the change in needs and behavior of the customers. This included i) the development of fresh and frozen food products in the “Community Kitchen” Project for Retailers, ii) an improvement of its omni-channel platform (Offline to Online or O2O), and iii) the service upgrades with cashless payment, curbside pick-up and last-mile delivery. All of the effort led to YoY increases in sales and net profits.

Makro’s business overseas: Despite the COVID-19 pandemic in the countries that the Company operates, the business was gaining trust by its customers and posted an impressive sales growth. Thanks to proactive management and knowledge sharing between the Thailand’s team and the overseas. The first store in Myanmar, soft-opening in April 2020 amid COVID-19 restriction measures, received a good response and was well noted as another source for food safety in Myanmar.

Food Service Business: All of the customers of this business unit, i.e. hotels, restaurants, and airlines, are related to tourism industry which have been largely affected by the COVID-19 pandemic. The Company has strategically redirected its sales force to end consumers, and with effective working capital management, the Food Service Business saw a business resumption in the latter half of the year.

Operating Results

Consolidated Operating Results

		2020	2019	YoY Growth
Total sales	Bt.mn	214,140	206,180	3.9%
Total revenues	Bt.mn	218,760	210,627	3.9%
Gross profit	Bt.mn	22,124	21,168	4.5%
EBITDA ¹	Bt.mn	12,534	10,928	14.7%
Net profit ²	Bt.mn	6,563	6,245	5.1%
Earnings per share	Bt./share	1.37	1.30	5.1%

Remark: 1. Earnings before interest, taxes, depreciation, and amortization
2. Profit (loss) attributable to equity holders of the Company

Total revenues

In 2020, the Company and its subsidiaries recorded consolidated total sales of Baht 214,140 million, an increase of Baht 7,960 million, or 3.9% YoY. This mainly resulted from an additional contribution of the four new stores in Thailand and overseas opened in 2020, and a full-year contribution of the stores commenced in 2019. Another contributing factor was the relentless growth of Makro Thailand and Makro International following a dedication to product development and the aforementioned service enhancements through O2O platform to directly respond to the needs of customers. Contrarily, the COVID-19 pandemic and the subsequent tourism disruption have taken a toll on Food Service APME, of which revenues dropped dramatically in 2020.

Overall, when aggregating revenue from services of Baht 3,757 million, and other income of Baht 863 million, the Company’s registered consolidated total revenues of Baht 218,760 million, increased by 3.9% YoY.

Gross profit

2020 consolidated gross profit stood at Baht 22,124 million, surged by Baht 956 million, or 4.5% YoY. 2020 Gross profit margin stood at 10.3%, unchanged from that of the previous year.

Distribution costs and administrative expenses

In 2020, the Company and its subsidiaries incurred distribution costs and administrative expenses of totaling Baht 17,788 million, equivalent to 8.1% of total revenue and increased by Baht 378 million, or 2.2% from the preceding year.

	2020		2019		YoY Growth
	Bt.mn	%	Bt.mn	%	
Distribution costs	12,758	71.7	12,669	72.8	0.7%
Administrative costs	5,030	28.3	4,741	27.2	6.1%
Total	17,788	100.0	17,410	100.0	2.2%

Distribution costs

In 2020, consolidated distribution costs amounted to Baht 12,758 million, grew by 0.7% YoY. This was attributed to i) lower pre-operating costs, reflecting a postponement of overseas expansion, and ii) decreased land and building taxes due to a rate cut – one of the government measures to support business sector. Given this, the percentage of distribution costs to total revenues stood at 6.0%, slightly lower than the 6.1% of 2019.

Administrative expenses

In 2020, the Company and its subsidiaries registered total administrative expenses of Baht 5,030 million, up by 6.1% from the previous year. The surge was largely due to consulting fees and expenses in relation to technology advancement to increase operational efficiency and support business expansion. In 2020, the Company also incurred extraordinary expenses for business continuity management to ensure that business operation remains effective and Makro staffs, customers, business premises as well as goods and products are safe from the COVID-19.

Finance costs

In 2020, consolidated finance costs amounted to Baht 619 million, surged by Baht 309 million from the preceding year, driven by an increase in finance costs paid under lease agreement following an adoption of Thai Financial Reporting Standards (“TFRS”) 16 : Leases – which was effective for annual accounting periods beginning on 1 January 2020.

Net profit

In 2020, the Company reported its consolidated net profit of Baht 6,563 million, grew by 5.1% YoY. This was owing to an impressive growth of Makro Thailand and a decrease in net loss of Makro International. On the contrary, Food Service APME recorded a net loss in 2020, significantly dropped from a net profit in 2019. This was largely due to a contraction in sales, led by tourism disruption as previously mentioned.

Financial Position

Consolidated Financial Position as at 31 December

		2020	2019	YoY Growth
Total Assets	Bt.mn	74,034	62,641	18.2%
Total Liabilities	Bt.mn	51,324	41,907	22.5%
Total Shareholders’ Equity	Bt.mn	22,710	20,734	9.5%

Total assets

At the end of 2020, the Company and its subsidiaries recorded Baht 74,034 million in its total assets, grew by Baht 11,393 million, or a 18.2% from that of 2019 year-end.

Current assets

Consolidated current assets totaled Baht 28,251 million, grew by Baht 4,918 million from 2019, or an increase of 21.1% from the previous year-end. This was driven by increases in cash and cash equivalents from an effective working capital management and improved operating results.

Non-current assets

Consolidated non-current assets totaled Baht 45,783 million, rose by Baht 6,475 million, or 16.5% from the previous year-end, primarily due to a net increase of Baht 7,035 million in properties under lease agreements as a result of the adoption of TFRS 16. At the end of 2020, non-current assets to total assets ratio stood 61.8%.

- **Property, plant and equipment:** At the end of 2020, the Company and its subsidiaries recorded property, plant and equipment (net after depreciation) of Baht 30,564 million, representing 41.3% of total assets, and declined by Baht 1,015 million from the preceding year, as a result of the adoption of TFRS 16.
- **Right-of-use assets:** At the end of 2020, right-of-use assets stood at Baht 10,204 million, representing 13.8% of total assets. The increase in this item was largely due to the adoption of TFRS 16 as previously mentioned and new leases.

Total liabilities

At the end of 2020, total liabilities of the Company and its subsidiaries totaled Baht 51,324 million, increased by Baht 9,417 million, or 22.5% from the end of the preceding year.

Current liabilities

Consolidated current liabilities totaling Baht 40,555 million, increased by Baht 7,806 million, or 23.8% from the previous year-end. This was mainly attributed to i) an increase of Baht 5,000 million in the financial institutions’ arrangement of long-term loans due within one year, and ii) increased trade payables of Baht 1,549 million, following an increase in inventories in the latter half of December 2020 to ensure stock availability after the new outbreak of COVID-19 in Thailand.

Non-current liabilities

The Company and its subsidiaries recorded total non-current liabilities of Baht 10,769 million, representing 21.0% of total liabilities and increased by Baht 1,611 million from the previous year-end. The surge was primarily due to an increase of Baht 6,482 million in lease liabilities as a result of the adoption of TFRS 16 as previously mentioned.

Total equity

At the end of 2020, total shareholders’ equity stood at Baht 22,239 million, an increase of Baht 1,996 million, or 9.9% from that of the previous year-end. This aligns with the 2020 net profit and dividend payments of Baht 4,608 million in 2020. Book value per share stood at Baht 4.63.

Liquidity and Funding Adequacy

Consolidated Cash Flows

		2020	2019
Cash flows from operating activities	Bt.mn	13,353	10,270
Cash flows from investing activities	Bt.mn	(2,288)	(3,130)
Cash flows from financing activities	Bt.mn	(5,413)	(7,402)
Net increase(decrease) in cash and cash equivalents ¹	Bt.mn	5,684	(295)

Remark 1. Net exchange differences on translating financial statements: Baht 31 million in 2020 and Baht (33) million in 2019.

In 2020, the Company had a net increase in cash and cash equivalents of Baht 5,684 million. This was primarily due to three distinct sources: i) higher cash inflow of Baht 13,353 million from operating activities, ii) dividend payments of Baht 4,608 million, and iii) investments of totaling Baht 2,288 million in asset enhancement, store expansion, and business process improvement.

Cash flows from operating activities

Cash flows from operating activities was inevitably the key funding source of the Company and its subsidiaries. In 2020, the Company received a net cash inflow of Baht 13,353 million, increased by Baht 3,083 million, or 30.0% from the preceding year, driven by the improved operating results and effective inventory management. Liquidity remained high with negative cash conversion cycle, thanks to the Company’s effective cash management and the cash & carry business model, which required customers to make a cash payment at check-out. In 2020, the Company managed to achieve stock days ratio of less than 30 days. These reaffirmed the Company’s funding adequacy for business operation and future expansion.

Cash flows from investing activities

In 2020, the Company and its subsidiaries had a net cash outflow of Baht 2,288 million from investing activities, reflecting capital expenditure (CAPEX) for domestic and overseas store, land acquisitions, and new land lease for the stores due to open in 2020 and 2021.

Cash flows from financing activities

In the 2020, the Company had a net cash outflow of Baht 5,413 million from financing activities, largely stemmed from dividend payments of totaling Baht 4,608 million and debt repayment of Baht 1,007 million.

Key Financial Ratios

	Unit	2020	2019
Liquidity Ratios			
Liquidity ratio	(times)	0.7	0.7
Quick ratio	(times)	0.3	0.2
Operating cash flow ratio	(times)	0.4	0.3
Trade receivable turnover ratio	(times)	211.7	194.8
Days trade receivable ratio	(days)	1.7	1.8
Inventory turnover ratio	(times)	13.5	13.2
Days inventory ratio	(days)	26.8	27.2
Trade payable turnover ratio	(times)	7.1	7.2
Days trade payable ratio	(days)	51.0	50.2
Cash conversion cycle ratio	(days)	(22.5)	(21.1)
Profitability Ratios			
Gross profit margin	%	10.3	10.3
Net profit margin	%	3.0	3.0
Return on equity	%	30.9	32.0
Efficiency Ratios			
Return on assets ratio	%	9.5	9.9
Return on fixed assets ratio	%	28.3	26.9
Asset turnover ratio	(times)	3.2	3.4
Financial Policy Ratios			
Debt to equity ratio	(times)	2.3	2.0
Interest-bearing debt to equity ratio	(times)	0.35	0.38
Interest coverage ratio	(times)	64.8	47.7
Debt service coverage ratio (cash basis)	(times)	1.7	1.0
Dividend payout ratio	%	70.2	73.8

Capital Structure and Management Structure

1. Capital Structure

Ordinary shares

Registered Capital	2,400,000,000 Baht	Paid - up Capital	2,400,000,000 Baht
Number of Ordinary shares	4,800,000,000 Shares	Par Value	0.50 Baht

Shareholders

As at 25 August 2020 (Record Date for interim dividend payment), Makro’s shareholding distributions are:

Shareholders	No. of Shares	Shareholding (%)
Paid-up Capital	4,800,000,000	100.00
Local Shareholders		
Juristic persons	4,680,745,700	97.51
Natural persons	70,423,213	1.47
Total	4,751,168,913	98.98
Foreign Shareholders		
Juristic persons	47,700,576	1.00
Natural persons	1,130,511	0.02
Total	48,831,087	1.02

Top ten major shareholders are:

Shareholders	No. of Shares	Shareholding (%)
1. Siam Makro Holdings (Thailand) Limited	2,640,302,800	55.01
2. CP ALL Public Company Limited	1,827,598,700	38.07
3. Bualuang Long - Term Equity Fund	41,981,900	0.88
4. Mr. Prinya Tiewanworn	29,000,000	0.60
5. Bualuang Top - Ten Fund	26,246,700	0.55
6. Bualuang Long-Term Equity Fund 75/25	18,136,900	0.38
7. Thai NVDR Company Limited	12,995,868	0.27
8. Bualuang Flexible RMF	11,660,700	0.24
9. AIA COMPANY LIMITED-EQAP-D FUND 1	10,870,000	0.23
10. Bualuang Equity RMF	8,932,800	0.19
Total	4,627,726,368	96.42

Major shareholders who have significant de facto influence on policies or operations of Makro

Siam Makro Holdings (Thailand) Limited and CP ALL Public Company Limited hold the combined shareholding of 93.08% of the total issued and paid up shares in Makro. They have significant de facto influence on its policy formulation and operations due to the fact that 8 out of 15 members of the Board are their representatives, namely, Mr. Suphachai Chearavanont, Mr. Korsak Chairasmisak, Mr. Umroong Sanphasitvong, Mr. Narong Chearavanont, Mr. Prasert Jarupanich, Mr. Pittaya Jearavisitkul, Mr. Piyawat Titasattavorakul, and Mr. Adirek Sripratak.

Foreign Limit in Shareholding

Makro has set a foreign limit of 49% of the paid-up capital. As at 25 August 2020, foreign investors altogether held 1.02% of the Company’s total paid-up capital.

Dividend Payment Policy

Unless otherwise required, the Company’s Board of Directors has the policy, which has been effective from 1994 onwards, to seek approval from the Annual General Meeting of Shareholders to pay dividends not less than 40% of its annual net profit after tax from the consolidated financial statement.

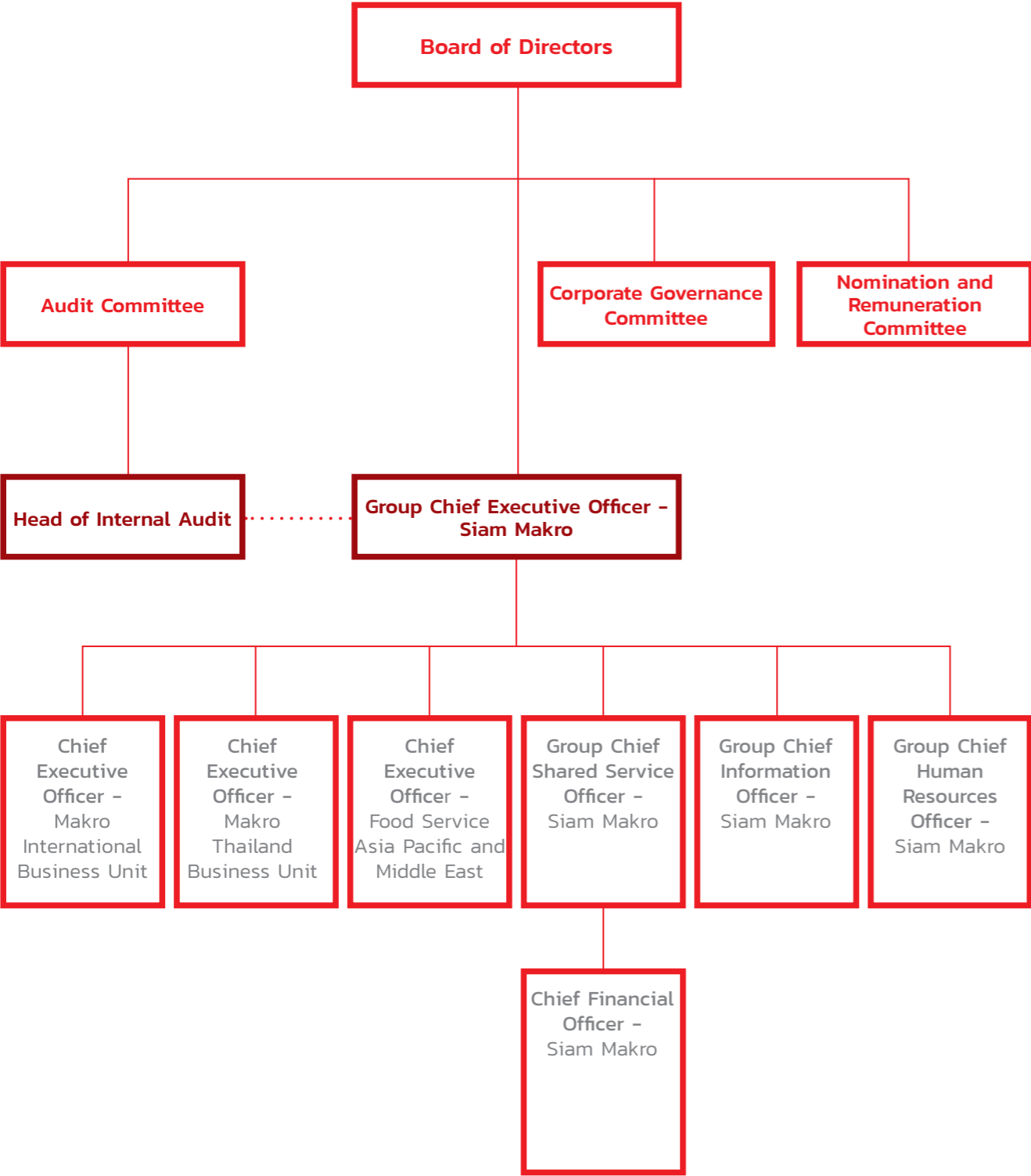
However, the Board of Directors of each subsidiary shall consider its dividend payment policy on a case-by-case basis.

Dividend Payout Information (Year 2015 - 2019)

	2015	2016	2017	2018	2019
Earnings per share (Baht)	1.12	1.13	1.29	1.24	1.30
Dividend per share (Baht)	0.85	0.85	0.96	0.96	0.96
Dividend payout ratio (%)	75.90	75.40	74.60	77.50	73.80

Siam Makro Public Company Limited

Organization Structure
as of 31 December 2020



Board of Directors and Executives and the Company's Share Holding
(Including share holding of spouse and minor)

No.	Name List	Position	Appointment Date	Number of Shares as of 31 December		Increasing/Decreasing	% of Shareholding
				2020	2019		
Directors							
1	Mr. Suphachai Chearavanont	Chairman of the Board of Directors	18 Feb 2020	-	N/A	-	-
2	Mr. Joti Bhokavanij	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	5 Jul 2013	-	-	-	-
3	Mr. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance Committee	28 Aug 2019	10,000*	10,000*	-	0.00
4	Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee	28 Aug 2019	-	-	-	-
5	Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance Committee	28 Aug 2019	-	-	-	-
6	Mr. Prasobsook Boondech	Independent Director/ Member of the Nomination and Remuneration Committee	8 Nov 2019	-	-	-	-
7	Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	5 Jul 2013	-	-	-	-
8	Mrs. Suchada Ithjarukul	Director/ Second Vice Chairman/ Group Chief Executive Officer - Siam Makro	29 Aug 1996	-	-	-	-
9	Mr. Umroong Sanphasitvong	Director/ Member of the Corporate Governance Committee	5 Jul 2013	-	-	-	-
10	Dr. Prasert Jarupanich	Director	7 May 1988	200	200	-	0.00
11	Mr. Pittaya Jearavisitkul	Director	5 Jul 2013	-	-	-	-
12	Mr. Piyawat Titasattavorakul	Director	5 Jul 2013	-	-	-	-
13	Mr. Narong Chearavanont	Director	5 Jul 2013	-	-	-	-
14	Mr. Adirek Sripratak	Director	5 Jul 2013	-	-	-	-
15	Mrs. Saowaluck Thithapant	Director/ Group Chief Shared Service Officer - Siam Makro	15 Dec 2004	-	-	-	-
Executives							
16	Mr. Lin, Chi-Lung	Chief Executive Officer - Food Service Asia Pacific and Middle East	15 May 2003	-	-	-	-
17	Mr. Paul Stephen Howe	Group Chief Information Officer - Siam Makro	2 Sep 2013	-	-	-	-
18	Mr. Ricardo Boarotto	Chief Executive Officer - Makro Thailand	1 Jan 2020	-	N/A	-	-

Remark: * Shares held by spouse

1. Management Structure

Board Level

The Board of Directors

As at 31 December 2020, the Board of Directors is comprised of 15 directors, as listed out in the table “**Board of Directors and Executives and the Company's Share Holding**”, including

- Thirteen non-executive directors, 5 of which are independent directors (equivalent to 1/3 of the total number of directors)
- Two executive directors.

The Chairman and Vice Chairman are appointed by the Board of Directors.

Directors with Company Signatory Rights

Mr. Korsak Chairasmisak or Mr. Umroong Sanphasitvong or Mr. Narong Chearavanont or Mr. Prasert Jarupanich signs jointly with either Mrs. Suchada Ithjarukul or Mrs. Saowaluck Thithapant or Mr. Pittaya Jearavisitkul, totaling two persons, with the Company's seal be affixed.

Composition of the Board of Directors

According to the Company's Articles of Association and the Board of Directors' Charter, the Board consists of not less than five (5) directors or any minimum number as required by the laws and the resolution of the Shareholders' Meeting, but not more than fifteen (15) directors, at least one-third (1/3) of whom and not less than three (3), must be independent directors. Additionally, not less than half of the total number of directors must reside in the Kingdom of Thailand.

Qualifications of Directors

- 1) Directors must be fully qualified and not be under any of the prohibitions prescribed in the Public Limited Company Act, the Securities and Exchange Act, and other relevant laws.
- 2) Directors must be knowledgeable and have expertise in diverse fields relevant to the industry, accounting and finance, business, management, marketing, strategy, crisis management, laws, and corporate governance; as well as possessing experience, competency and specific attributes, regardless of gender and age. At least one of the non-executive directors must be experienced in the business/industry of the Company.
- 3) Directors must possess leadership and be able to oversee the Executives' business operation efficiently and effectively.
- 4) A director should not serve in more than 5 SET-listed companies (including Makro) and such service must not affect his/her responsibilities for the Company.
- 5) Directors must be honest, ethical, able to dedicate sufficient time to perform duties for the Company.

Qualifications of Independent Directors

Independent directors are those who have independence from the control of major shareholders or group of major shareholders and management. They can and express their opinions independently to protect the benefits of all shareholders equally and to prevent any conflict of interest.

Apart from the qualifications of directors, independent directors must be fully qualified according to the Company's definition and conforming to the regulations prescribed by the Capital Market Supervisory Board which are:

- 1) Holding shares not exceeding 0.5% of the total number of shares with voting rights of the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by related persons of such independent director;
- 2) Neither being nor used to be a director who takes part in the management, employee, staff member, advisor who receives a regular salary, or controlling person of the Company, its parent company, subsidiary companies, same-level subsidiary companies, major shareholder or of the controlling person of the Company, unless the foregoing status has ended not less than 2 years. However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
- 3) Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child, of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary companies;
- 4) Neither having nor used to have a business relationship with the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, 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 companies, major shareholder or controlling person of the Company, unless the foregoing relationship has ended not less than 2 years.
The term “business relationship” under the first paragraph 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 its counterpart being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million 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 1 year prior to the date on which the business relationship with the person commences;

- 5) Neither being nor used to be an auditor of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
- 6) Neither being nor used to be any professional service provider including a legal counselor or financial advisor who receives service fee of exceeding Baht 2 million per year from the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider, unless the foregoing relationship has ended not less than 2 years;
- 7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
- 8) Not undertaking any business of the same nature as and competing with that of the Company or its subsidiary companies or not being a significant partner in a partnership or being a director who takes part in the management, employee, staff member, advisor who receives regular salary or holding shares exceeding 0.5% of the total number of shares with voting rights of other companies which undertake businesses of the same nature as and competing with that of the Company or its subsidiary companies;
- 9) Not having any other characteristics which cause the

inability to render independent opinions with regard to the Company's business operations;

10) The Company's independent directors shall serve not more than 9 years.

Independent Directors with qualifications described in 1 - 10 above may be empowered by the Board of Directors to make decision for the business operation of the Company, its parent company, subsidiary companies, the same-level subsidiary companies, major shareholder or the controlling person of the Company in the form of collective decision.

In case a person appointed as an Independent Director of the Company is a person having or used to have business relationship or providing professional service with value of exceeding those prescribed in item 4 or item 6, the Board of Directors may consider waiving this disqualification if the Board opines that the appointment of the said person does neither affect his performance nor expression of independent opinion, and the Company already disclosed the following information in the notice calling for the shareholders' meeting on agenda regarding the appointment of the said Independent Director:

- a. Manner of business relationship or professional service causing the said person not being qualified under the prescribed criteria;
- b. Reason and necessity to maintain or to appoint the said person as the independent director;
- c. Opinion of the Company's Board of Directors to nominate the said person as the independent director.

To encourage the independent directors and non-executive directors to independently meet for discussion or recommendation on the development of the Board's performance, as well as on guidelines to improve the quality of corporate governance, the Company therefore arranges the meeting of independent directors/ non-executive directors in the absence of the management at least once a year.

Roles and Responsibilities of the Chairman of the Board

- 1) The Chairman or his/her delegate calls the Board meetings, by giving notice of at least 7 days prior to each meeting to provide the directors with adequate time to study, review, and make proper decisions.
- 2) The Chairman, together with the Group Chief Executive Officer - Siam Makro, decides the meeting agenda.
- 3) The Chairman presides over the Board meeting to

ensure of meeting efficiency by allocating sufficient time for the management to make presentation, encouraging and allowing directors to ask questions and express their opinion independently, controlling the issues under discussion, and summarizing the meeting's resolutions.

- 4) The Chairman encourages the Board's compliance to corporate governance principles in considering any agenda related to one's conflicts of interest, for instance, identifying oneself, refraining from voting, and leaving the meeting.
- 5) The Chairman always informs the Board of significant matters.
- 6) The Chairman encourages the Board members to attend Shareholders' Meetings and presides over such meetings to ensure of meeting efficiency and address shareholders' queries.
- 7) The Chairman encourages the Board to perform its duties under their scope of authority and responsibility, conforming to the laws, the Board's Charter and the corporate governance principles.

Roles and Responsibilities of the Board of Directors

Besides the main responsibility as the representatives of the shareholders, the Board of Directors also has statutory duties, responsibilities according to the Company's Articles of Association, shareholders' resolutions, and other responsibilities as follows:

- 1) The Board of Directors is responsible for establishing the Company's key policies and directions that are clear and suitable for the conditions and factor variations. The Board also supervises the Management to effectively comply with the policies for the best interests of the Company and the stakeholders with transparency and fairness under the legislative and regulatory frameworks, the code of conduct, social and environmental awareness, and relevant standards at the domestic and international level.
- 2) The Board is responsible for determining the vision, objectives, mid-term goals and strategy, business plans, and annual budgets that correspond to the Company's objectives and targets. The Board must consider the proper arrangement of resources and operational control as well as analyzing the environment, factors and risks that may impact relevant stakeholders throughout the value chain. The Board also supervises the Management to conduct the operations efficiently

and effectively according to the business plans and annual budgets to increase the economic value for the business. The Board encourages to have the Company's mission and strategic plans reviewed at least once a year.

- 3) The Board must establish the Charter for the Board of Directors, the Corporate Governance Policy, and the Code of Conduct for the Board of Directors, the executives, the employees, and every staff for compliance together with the rules and regulations of the Company to create fairness towards all relevant persons.
- 4) The Board must fully perform their duties with their knowledge and ability and also be responsible for their own decision with independent discretion based on integrity, prudence, and persistence by considering the best interests of the Company and the fairness to every group of shareholders.
- 5) The Board of Directors has the duty to approve any financial transactions that relate to the Company's investment by considering the best interests of the Company and fairness to all relevant persons.
- 6) The Board of Directors has the duty to supervise the Management to ensure that the Company and its subsidiaries have reliable accounting systems, financial reports, accounting audit, risk management, internal controls, and internal audit; and that there is regular monitoring, evaluation and review of the risk management, internal control and internal audit for effectiveness and efficiency.
- 7) The Board of Directors must omit or avoid any participation in business activities in which themselves or their close relatives have conflicts of interest or any activities that may lead to conflicts of interest with the Company. The Board must monitor and ensure that the issues of conflict of interest or connected transaction are properly managed, and that the guidelines of practice are set out in conformance to the procedures and disclosure requirements as prescribed by laws and for the best interests of the Company and every group of shareholders.
- 8) The Board of Directors must appoint the Company Secretary to facilitate the activities of the Board and assist the Board and the Company in compliance with the relevant laws and regulations.
- 9) The Board of Directors must review and evaluate the annual performance of the Board and individuals at

least once a year, by jointly reviewing the performance, analyzing the issues, and providing solutions for improvement.

- 10) The Board of Directors must conduct annual performance appraisal and determine annual compensation of the Group Chief Executive Officer every year.
- 11) The Directors must attend every Board of Directors' Meetings and Shareholders' Meetings. In case of absence due to important matters, the said Director must notify the Chairman.
- 12) The Board of Directors must conduct the compliance assessment with the Company's Corporate Governance and Code of Conduct at least once a year.
- 13) The Board of Directors must oversee the promotion and the application of the innovation and technology to gain competitive advantage under the basis of social and environmental responsibilities.
- 14) The Board of Directors must determine the Governance Policy for its subsidiaries including the proper internal control and the appointment of Directors, Executives, or those with controlling powers in the subsidiaries.
- 15) The Board of Directors is responsible for promoting the ongoing Directors' development such as participation in training programs and seminars, overseas business trips, etc.
- 16) The Board of Directors oversees succession plans of the Group Chief Executive Officer and the Executives, required to report to the Board at least once a year.
- 17) The Board of Directors supervises the Management to review, manage and improve the use of resources such as finances, assets, intellectual property, and employment, etc. to be effective and efficient by considering the change of internal and external factors.
- 18) The Board of Directors is responsible for the preparation of the Anti-Corruption Policy and Guidelines and encouraging the employees to comply with the laws and relevant rules and regulations.
- 19) The Board of Directors oversees the information disclosure including financial statements, annual reports/ Form 56-1 (Form 56-1 One Report) that adequately reflect the financial status and operating results. The Board also supports the Company in preparing the Management Discussion and Analysis in conjunction with the disclosure of the financial statements every quarter. In case any disclosure item is related to any director, such director must

ensure that the information to be disclosed is comprehensive and accurate.

- 20) The Board of Directors supervises the Management to monitor and assess the financial status of the business and regularly report to the Board. In case the Company faces or is likely to face financial problems, the Board of Directors must ensure that the Management defines the survival plan to resolve financial problems and/or for the best interests of every stakeholder.
- 21) The Board of Directors has the duty and the responsibility towards shareholders and carries out the operations by concerning the protection of shareholders' interests. The Board arranges the shareholders' meeting in compliance with the laws and relevant regulations, as well as supports and facilitates the shareholders to exercise their rights.
- 22) The Board of Directors oversees to ensure that the Information System Security is in place. This includes determining the policies and guidelines on the confidentiality, the integrity, and the availability of information as well as the market sensitive information. The Board ensures that the Directors, Executives, employees, and relevant external parties conform to the Information System Security.
- 23) The Board of Directors carries out other activities that relate to the Company's operations as assigned by shareholders.

Nomination, Appointment and Termination of Directors

Criteria for director nomination

- 1) Consideration of the Board composition and qualifications of the candidates which must be consistent with the qualifications of Directors / Independent Directors as prescribed by the relevant laws and the Charter of the Board. (See more details in "Composition of the Board of Directors", "Qualifications of Directors" and "Qualifications of Independent Directors".)
- 2) Consideration of the number of Independent Directors, consisting of at least one-third (1/3) of the total number of directors and must not be less than three (3), and being fully qualified according to the SEC's regulations. Such proportion of Independent Directors is to ensure of checks and balances of the Board and the Management to protect the best interests of shareholders.
- 3) Consideration of potential conflicts of interest with the Company.

Nomination and Appointment of Directors

The Company provides an opportunity for shareholders to nominate suitable and qualified candidates to be elected as Directors in advance of each Annual General Meeting of Shareholders under the Company's established criteria. (See more details in the section "Corporate Governance".) The Nomination and Remuneration Committee is responsible for the selection and nomination of qualified persons to be appointed as the Company's Directors or Independent Directors by considering their qualifications, knowledge, competency, experience, details of which are presented to the Board of Directors for consideration. The Board of Directors then presents its opinion to the Shareholders' Meeting for consideration and approval. The resolution on the election of the Directors must be adopted by an affirmative majority vote from the total number of votes of the shareholders who are present at the Meeting and entitled to vote in accordance with the following criteria and procedures prescribed in the Company's Articles of Association:

- a. A shareholder shall have a number of votes which is equivalent to the number of shares that he/she is holding
- b. Each shareholder may exercise all the votes he/she has under a. to elect one or more persons as directors, but shall not split the votes among any such persons;
- c. The persons receiving the highest number of votes in the respective order of the votes shall be elected as directors up to the total number of directors required or to be elected at such time. In the event that a number of persons receive an equal number of votes for the last directorship exceeds the number of directors the Company required or to be elected at such time, the chairman of the meeting shall have a casting vote.

If a directorship becomes vacant for any reason other than by rotation, the board of directors shall appoint a qualified person as a director to fill the vacancy at the subsequent board of directors meeting unless the remaining term of the director is less than 2 months. The director who fills the vacancy shall retain his/her office only for the remaining term of the director whom he/she replaces. The resolution of the board of directors for such director election shall consist of not less than three-fourth of the votes of the remaining directors.

Termination of Directors

- 1) At every Annual General Meeting of Shareholders, one-third of the Directors, or, if the number of Directors

cannot be divided exactly into 3 parts, the number of Directors nearest to one-third, shall vacate office. A vacating Director may be eligible to re-election. The Directors who have remained in office for the longest time shall vacate office.

- 2) Apart from vacating at the end of his office term, a Director shall vacate office upon death, resignation, lack of qualifications or disqualifications under the law pertaining to Public Company Limited and/ or under the Securities and Exchange Act, removal pursuant to resolution passed at the shareholders meeting, or removal pursuant to a court order or imprisonment pursuant to the final judgement or legal order except offenses committed by negligence or petty offenses, incompetent person or quasi-incompetent person, or bankrupt.
- 3) To resign from office, a resignation letter shall be submitted to the Chairman. Such resignation shall become effective on the date the resignation letter is received. The resigning director may also inform the registrar of the resignation.
- 4) The shareholders' meeting may pass a resolution to remove any director from office prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders who are present at the meeting and entitled to vote, with the aggregate number of shares not less than half of the number of shares held by the shareholders who are present at the meeting and entitled to vote.

Sub-committees

The Board of Directors appoints several committees to scrutinize and supervise the operation of the Company over specific issues, in order to perform their duties efficiently and effectively as well as to ensure that the Company complies with rules and regulations of the SEC and SET. The Company's Board-committees consist of:

1. Audit Committee

As at 31 December 2020, the Audit Committee ("AC") consists of 3 independent directors who are fully qualified under the criteria of the SEC and SET to review business operations, financial reports, and internal control systems, to select independent auditors, and to review related party transactions. All members of the Audit Committee, as listed below, are knowledgeable and have sufficient experiences to review the reliability of the financial statements.

- | | |
|---------------------------|----------|
| 1) Mr. Joti Bhokavanij | Chairman |
| 2) Mrs. Kannika Ngamsopee | Member |
| 3) Mr. Jukr Boon-Long | Member |

Roles and Responsibilities of the Audit Committee

- 1) To review the Company's financial reporting process in order to ensure that it is accurate and adequate;
- 2) To review the Company's internal control system including risk management and internal audit system ensuring that they are suitable and effective, to determine the degree of independence of the internal audit group, as well as to approve the appointment, transfer and dismissal of the head of an internal audit group or any other group responsible for internal audit functions within the Company;
- 3) To review the Company's compliance with the laws on Securities and Exchange, the SET's regulations, and any other laws relating to the Company's business;
- 4) To consider the qualifications, independence, performance and audit fee of the external auditors in order to exercise final approval on the appointment or termination of the auditors;
- 5) To meet separately with the external auditors without the presence of management at least once a year;
- 6) To review any connected transactions or transactions that may lead to a conflict of interests situation, in order to ensure that they are in full compliance with the laws and regulations of the SET as well as that such transactions are reasonable and undertaken for the fullest benefit of the Company;
- 7) To prepare the Audit Committee's Report to be included in the Company's Annual Report, which must be signed by the Audit Committee Chairman and consists of at least the following information:
 - a. An opinion on the accuracy, completeness and reliability of the Company's financial report.
 - b. An opinion on the adequacy of the Company's risk management and internal controls system.
 - c. An opinion on the compliance with the laws on Securities and Exchange, the SET's regulations or any other laws relating to the Company's business.
 - d. An opinion on the suitability of an auditor.
 - e. An opinion on the transactions that may lead to conflict of interests situations.
 - f. The number of the Audit Committee meetings and the attendance record at such meetings by each member of the Audit Committee.

- g. Any opinions or comments that are received by the Audit Committee in performing its duties in accordance with its Charter.
- h. Other transactions which, in the opinion of the Audit Committee, should be made known to the Shareholders and general investors, subject to the scope of duties and responsibilities as assigned by the Company’s Board of Directors.
- 8) To review the Company’s compliance with private sector’s anti-corruption and certification programs, including the Collective Action Coalition against Corruption’s Self-Evaluation Tool.
- 9) To perform any other activities as assigned by the Company’s Board of Directors and concurred to by the Audit Committee.

In 2020, the Audit Committee performed its duties as summarized in the “Audit Committee Report”.

2. Nomination and Remuneration Committee

As at 31 December 2020, the Nomination and Remuneration Committee (“NRC”) consists of 3 directors as follows:

- | | |
|----------------------------|------------------------|
| 1) Mr. Joti Bhokavanij | Chairman |
| | (Independent Director) |
| 2) Mr. Prasobsook Boondech | Member |
| | (Independent Director) |
| 3) Mr. Korsak Chairasmisak | Member |

Roles and Responsibilities of the Nomination and Remuneration Committee

In addition to the specific duties regularly assigned by the Board of Directors, the NRC is responsible for the following:

- 1) Nomination
 - 1.1) Consider the criteria for Directors’ nomination and determine the qualifications of the Directors.
 - 1.2) Consider the structure, size, and composition of the Board of Directors and sub-committees that suits the Company’s strategies and situation, consisting of experts in diverse field of knowledge, expertise, skills and experience beneficial to the Company’s business, who can devote the time, regardless of gender and age.
 - 1.3) Consider the nomination and selection of qualified candidates to become Directors for consideration and approval of the Board of Directors and the Shareholders’ Meeting.
 - 1.4) Encourage the Company to provide opportunity for minority shareholders to nominate director candidates.

- 1.5) Consider the selection of the Company’s Directors who are qualified to be a member in sub-committees for the Board’s appointment as appropriate or when the position becomes available.
- 1.6) Consider the selection criteria and qualifications for the Chief Executive Officer.
- 1.7) Regularly review the succession plan of the Chief Executive Officer.
- 1.8) Search and select qualified candidates who are suitable for the appointment of the Chief Executive Officer to the Board of Directors for consideration and appointment of the Chief Executive Officer when the position becomes available.
- 2) Remuneration
 - 2.1) Review the criteria, structure, and composition of the remuneration of the Directors, sub-committees, and the Chief Executive Officer every year by considering the Company’s operating results and responsibilities, and benchmarking with those of other companies within the same or similar industry and size of business.
 - 2.2) Consider the determination of the remuneration of the Directors and sub-committees for consideration and approval of the Board of Directors and the Shareholders’ Meeting.
 - 2.3) Evaluate the performance and review the reasonable remuneration for the Chief Executive Officer by proposing to the Board of Directors for approval, unless the Board assigns any particular Director to be the evaluator.
- 3) Regularly review the Charter of the NRC to be in line with the international practice and guidelines or suggestions of relevant institutions or agencies.
- 4) The NRC appoints the secretary of the Committee.
- 5) The NRC has the duty to report the Board of Directors for acknowledgement of the meeting outcome or any other matters that the Board should be informed in the following Board’s Meeting.
- 6) The Chairman of the NRC has the duty to report to the shareholders for acknowledgement of their performance in the annual report / Form 56-1 (Form 56-1 One Report), providing the basic details as follows:
 - 6.1) No. of meetings,
 - 6.2) No. of the meetings that each member of the NRC attends, and
 - 6.3) Operating results as defined by the Charter.

In 2020, the NRC performed its duties as summarized in the “Nomination and Remuneration Committee Report”.

3. Corporate Governance Committee

As at 31 December 2020, the Corporate Governance Committee (“CGC”) consists of 3 directors as follows:

- | | |
|------------------------------|------------------------|
| 1) Mr. Rawat Chamchalerm | Chairman |
| | (Independent Director) |
| 2) Mr. Jukr Boon-Long | Member |
| | (Independent Director) |
| 3) Mr. Umroong Sanphasitvong | Member |

Roles and Responsibilities of the Corporate Governance Committee

In addition to the specific duties regularly assigned by the Board of Directors, the Corporate Governance Committee is responsible for the following:

- 1) Determine the Corporate Governance Policy and Guidelines that continually meet the international standards as operational frameworks for the Company and subsidiaries.
- 2) Encourage the Company to do self-assessment for corporate governance and regularly arrange the standard assessment by renowned and internationally accepted appraisers.
- 3) Supervise and monitor the Company’s operation to comply with the Corporate Governance policies and guidelines determined by the Company as well as the good corporate governance principles of relevant institutions and agencies such as the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 4) Regularly review the Charter of the CGC and the Company’s Corporate Governance Policies to be in line with international practice and guidelines or suggestions of relevant external institutions or agencies.
- 5) Promote the work culture under the good corporate governance principles at the Management level and employees at all levels and ensure the results in action.
- 6) The CGC appoints the secretary of the Committee.
- 7) The CGC has the duty to report the Board of Directors for acknowledgement of the meeting outcome or any other matters that the Board should be informed in the following Board’s Meeting.
- 8) The Chairman of the CGC has the duty to report to the shareholders for acknowledgement of their performance in the annual report / Form 56-1 (Form 56-1 One Report), providing the basic details as follows:

- 8.1) No. of meetings,
- 8.2) No. of the meetings that each member of the CGC attends, and
- 8.3) Operating results as defined by the Charter.

In 2020, the CGC performed its duties as summarized in the “Corporate Governance Committee Report.”

Company Secretary

To comply with Article 89/15 and Article 89/16 of the Securities and Exchange Act (No. 4), B.E. 2551 (2008), the Board of Directors appointed Miss Kanyaphat Prayoonpoakarach as the Company Secretary, effective from 1 June 2019 onwards, to undertake the following roles and responsibilities as defined by law:

- 1) Preparing, updating and keeping on file the following documents:
 - a. a Directors register;
 - b. notices calling for Directors’ Meetings, Minutes of the Board of Directors’ Meetings, and the Annual Reports;
 - c. notices calling for the Shareholders’ Meetings and Minutes of the Shareholders’ Meetings.
- 2) Keeping a record of vested interests as reported by Directors and Executives.
- 3) Performing any other activities as prescribed in the Notification of the Capital Market Supervisory Board.
- 4) Submitting a copy of the report on vested interests (as reported by Directors/ Executives/ related parties) to the Chairman of the Board and the Chairman of the Audit Committee within 7 days from the date when the Company receives the report.
- 5) Performing the duties as described above in good faith and with care and responsibility as well as in full compliance with the laws and regulations, the Articles of Association, objectives of the Company and the resolutions of the Board of Directors and of the Shareholders’ Meetings.

Biographical Information of the Company Secretary

Name-Surname	Miss Kanyaphat Prayoonpoakarach
Age	42
Shareholding	None
Relationship with Executives	None

Education

- Bachelor of Arts (English), Chulalongkorn University, Bangkok, Thailand
- Master of Arts (English as an International Language), Chulalongkorn University, Bangkok, Thailand

Company Secretary Training

Thai Institute of Directors (IOD)

- Company Secretary Program (CSP 22/2007)
- Effective Minute Taking (EMT 7/2007)
- Board Reporting Program (BRP 3/2010)
- ASEAN CG Scorecard Coaching (January 2019)
- Anti-Corruption: The Practical Guide (ACPG 50/2019)
- SET Link Workshop (September 2019)
- Enhancing Good Corporate Governance based on CGR Scorecard (September 2019)

Thai Listed Companies Association (TLCA)

- Advances for Corporate Secretaries (July 2015)

Other Training Courses

- TQA Application Report Writing - 2010 Thailand Quality Award, Thailand Productivity Institute (FTPI) (August 2010)
- The Personal Data Protection 2019 Act, B.E. 2562 (July 2019)
- Finance for Non-Finance Executives (September 2019)
- ASEAN Corporate Secretaries Network (ACSN) Webinar 2020: "The Board of the Future - How will the role of the company secretary evolve?" (September 2020)

Experience

2007 - 2011	Supervisor - Company Secretary, Thai Oil Public Company Limited
2011 - 2014	Assistant Manager Company Secretary, Thai Oil Public Company Limited
2014 - 2018	Assistant Vice President - Company Secretary Singha Estate Public Company Limited
2 Jan 2019 - Present	Senior Manager - Company Secretary, SET & Investor Relations Department Siam Makro Public Company Limited
1 Jun 2019 - Present	Company Secretary Siam Makro Public Company Limited

Management Level

Executives

As at 31 December 2020, the Executives consists of 5 executive managements, with the Group Chief Executive Officer – Siam Makro as the highest executive.

The members of the Executives are listed below.

- 1) Mrs. Suchada Ithijarukul
Group Chief Executive Officer – Siam Makro and (Acting) Chief Executive Officer – Makro International Business Unit
- 2) Mr. Ricardo Boarotto
Chief Executive Officer – Makro Thailand Business Unit
- 3) Mr. Lin, Chi-Lung
Chief Executive Officer – Food Service Asia Pacific and Middle East
- 4) Mrs. Saowaluck Thithapant
Group Chief Shared Service Officer – Siam Makro and (Acting) Group Chief Human Resources Officer – Siam Makro
- 5) Mr. Paul Stephen Howe
Group Chief Information Officer – Siam Makro

Roles and Responsibilities of the Group Chief Executive Officer - Siam Makro

The Group Chief Executive Officer – Siam Makro is assigned by the Board of Directors to conduct the Company’s business under the approved business plans and budget with stringency, integrity, and maintaining Corporate Governance with fairness. This is in order to achieve maximum benefits for all stakeholders and includes controlling the disclosure of the Company’s general and financial information in accordance with best practices, while protecting the best interests of the Company and its shareholders. The Group Chief Executive Officer – Siam Makro must not be engaged in any conflicts of interest with the Company and its subsidiaries, and must not hold the Board positions in other firms except Board positions of a company related to the Company with the approval of the Board of Directors.

Details of the Board of Directors and Executives in the Company and its Subsidiaries and/or Related Company
As at 31 December 2020

Company Name Name List	SML	Subsidiaries															
		PRO	MROH	MAC	CPWI	MM	ARO	MGZ	MGH	SFS	INDV	INDS	INDD	MAXZI	INDL	JM	INDC
Mr. Suphachai Chearavanont	□																
Mr. Joti Bhokavanij	△																
Mr. Rawat Chamchalerm	△																
Mrs. Kannika Ngamsopee	△																
Mr. Jukr Boon-Long	△																
Mr. Prasobsook Boondech	△																
Mr. Korsak Chairasmisak	○																
Dr. Prasert Jarupanich	○																
Mr. Pittaya Jearavisitkul	○																
Mr. Piyawat Titasattavorakul	○																
Mr. Narong Chearavanont	○																
Mr. Adirek Sripratak	○																
Mr. Umroong Sanphasitvong	○																
Mrs. Suchada Ithijarul	★○	○	○	○	○	○	○	○		○	○	○	○	○	○	○	○
Mrs. Saowaluck Thithapant	★○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Mr. Ricardo Boarotto	★									○							
Mr. Lin, Chi-Lung	★	○	○				○			○	○	○	○	○	○	○	○
Mr. Paul Stephen Howe	★																
Ms. Thanyamas Vorachart		○	○														
Mrs. Rattaya Ngerbumroong		○	○	○	○	○		○	○	○			○	○	○	○	○
Mr. Tanit Chearavanont					○												
Mr. Saksit Panurach				○		○		○	○								
Mr. Yuttapoom Jaremsuk				○													○
Mr. Chaiporn Treelertkul								○	○								
Mr. Teo Hong How Jackie										○							
Mr. Nishant Rayirath					○												
Ms. Dy Sopheak Pagna				○													
Mr. Oknha Seng Nhak				○													
Mr. Gauthier Bouillot																	○
Ms. Helene Raudaschl												○	○	○	○	○	
Mr. Aung Din						○	○										
Mr. Ruth Komutpong										○							
Ms. Preeyada Sripiboon										○							

Remark: Positions □ = Chairman of the Board of Directors ○ = Director △ = Independent Director ★ = Executive (as defined by SEC)

Company Name			
SML	Siam Makro Public Company Limited	SFS	Siam Food Services Limited
PRO	Promart Company Limited	INDV	Indoguna Vina Food Service Company Limited
MROH	Makro ROH Company Limited	INDS	Indoguna (Singapore) Private Limited
MAC	Makro (Cambodia) Company Limited	INDD	Indoguna Dubai Limited Liability Company
CPWI	CP Wholesale India Private Limited	MAXZI	Maxzi The Good Food Restaurant & Cafe Limited Liability Company
MM	ARO Commercial Company Limited	INDL	Indoguna Lordly Company Limited
ARO	ARO Company Limited	JM	Just Meat Company Limited
MGZ	Makro (Guangzhou) Food Company Limited	INDC	Indoguna (Cambodia) Company Limited
MGH	Guangzhou Huadu Makro Food Supermarket Company Limited		

Director and Executive Remuneration

Monetary Remuneration

1. Director Remuneration

The Director remuneration in 2020 (including the directors who resigned during the year) as of 31 December 2020 was Baht 43.05 million which was conformed to the 2020 Annual General of Shareholders’ Meeting held on 24 July 2020. The remuneration is considered through benchmarking with the industry peers of similar size of business, as well as the Company’s operating results, responsibilities of the Board of Directors, and overall business circumstances. The Directors remuneration rate for the year 2020 are illustrated below.

Director remuneration rate approved by the 2020 Annual General Meeting of Shareholders

Types of Remuneration	Baht/Person/Month	Baht/Person/Year
1. Regular Remuneration		
• Chairman	155,000	1,860,000
• Chairman of the Audit Committee and Independent Director	140,000	1,680,000
• Member of the Audit Committee and Independent Director	115,000	1,380,000
• Director	100,000	1,200,000
• Chairman of other sub-committees	15,000	180,000
• Member of other sub-committees	5,000	60,000
2. Annual Bonus	Baht 23.04 million (0.50% of the dividend paid to shareholders for the 2020 operating results)	
3. Other Benefits	None	

2. Executives Remuneration

The 5 Executives received the remuneration in the form of salaries and bonus totaling Baht 143.52 million, and other remuneration including the Company’s contribution to the provident fund (equal to 3% of salary) together with expatriate executives’ expenses, e.g. house rent, utility bills, telephone expenses, income tax payable, life insurance premium, and travelling expenses, etc. totaling Baht 36.52 million

The above remuneration for Executives is based on actual payments made during the year, which may differ from the total amount as stated in the Consolidated and Company Financial Statements, in compliance with the Thai Generally Accepted Accounting Principles, under the Accounting Act of B.E. 2543.

Non-Monetary Remuneration

The Board of Directors do not receive other benefits apart from the Monetary Remuneration.

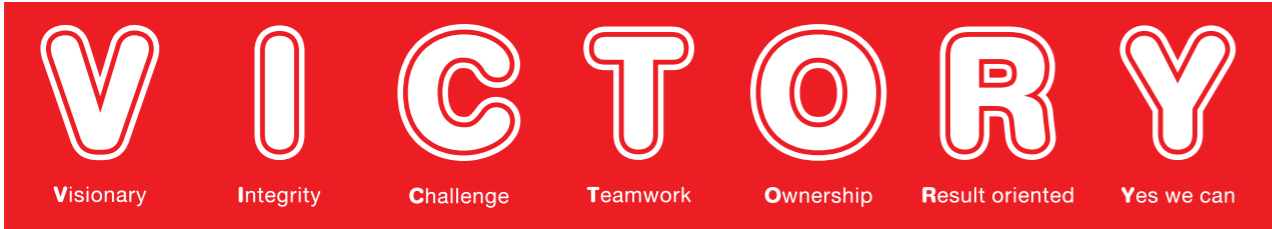
2020 Director Remuneration

No.	List of Directors	Position	Regular Remuneration (Baht/Year)				Total Regular Remuneration	Bonus for 2019 Performance ⁽¹⁾
			Board of Directors	Audit Committee	Corporate Governance Committee	Nomination and Remuneration Committee		
1	Mr. Suphachai Chearavanont	Chairman of the Board of Directors (Appointed on 18 Feb 2020)	1,612,000				1,612,000	-
2	Mr. Joti Bhokavanij	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee		1,680,000		180,000	1,860,000	1,840,000
3	Mr. Rawat Chamchaleam	Independent Director/ Chairman of the Corporate Governance Committee	1,200,000		180,000		1,380,000	551,640
4	Mrs. Kannika Ngamsopoe	Independent Director/ Member of the Audit Committee		1,380,000			1,380,000	551,630
5	Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance Committee		1,380,000	60,000		1,440,000	575,610
6	Mr. Prasobsook Boondech ⁽²⁾	Independent Director/ Member of the Nomination and Remuneration Committee	1,200,000			60,000	1,260,000	215,270
7	Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	1,200,000			60,000	1,260,000	1,462,240
8	Mrs. Suchada Ithjarukul	Director/Second Vice Chairman/Group Chief Executive Officer - Siam Makro	1,200,000				1,200,000	1,392,610
9	Mr. Umoong Sanphasitvong	Director/ Member of the Corporate Governance Committee	1,200,000		60,000		1,260,000	1,462,240
10	Dr. Prasert Jarupanich	Director	1,200,000				1,200,000	1,392,610
11	Mr. Pittaya Jearavisitkul	Director	1,200,000				1,200,000	1,392,610
12	Mr. Piyawat Titasattavorakul	Director	1,200,000				1,200,000	1,392,610
13	Mr. Narong Chearavanont	Director	1,200,000				1,200,000	1,392,610
14	Mr. Adirek Sripratak	Director	1,200,000				1,200,000	1,392,610
15	Mrs. Soawaluck Thithapant	Director/ Group Shared Service Officer - Siam Makro	1,200,000				1,200,000	1,392,610
Directors who resigned during the year 2020								
1	Mr. Arsa Sarasin	Chairman of the Board of Directors (Resigned on 1 Feb 2020)	155,000				155,000	2,200,720
Directors who resigned during the year 2019 (Receiving Bonus for 2019 Performance)								
1	Mr. Athaporn Khaimarn	Independent Director/ Chairman of the Audit Committee (Resigned on 9 Aug 2019)					-	1,180,630
2	Mr. Thira Wipucharin	Independent Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee/ Member of the Corporate Governance Committee (Resigned on 9 Aug 2019)					-	1,138,460
3	Mr. Chavalit Uttasart	Independent Director/ Member of the Audit Committee/ Member of the Nomination and Remuneration Committee (Resigned on 9 Aug 2019)					-	1,011,970
4	Dr. Chaiyawat Wibulsuwadi	Independent Director/ Member of the Audit Committee/ Chairman of the Corporate Governance Committee (Resigned on 10 Aug 2019)					-	1,101,320
Total			14,967,000	4,440,000	300,000	300,000	20,007,000	23,040,000

Remark: (1) Bonus for 2019 performance paid in July 2020 according to the resolutions of 2020 AGM on 24 July 2020.

(2) Holding the position of Independent Director and Chairman of Sustainability and Corporate Governance Committee of CP All Public Company Limited, with total remuneration in 2020 at the amount of Baht 6,706,000

7 Makro Values



Visionary	Integrity	Challenge	Teamwork	Ownership	Result oriented	Yes we can
Have vision and lead others	Have integrity and operate with fairness	Dare to challenge	Work as a team, there is no "me" but "us"	Be responsible for your work and the organization	Commit to clear, tangible targets and measurable results	Anything is possible when we believe; if we try, nothing is beyond our reach

Organization and Human Resource Development



The employees are the most important factor to drive the organization to achieve the vision “**To Be Number One Food Solution Provider for Professional Customers**”. Thus, the Company focuses on human resource development in every dimension including skills, knowledge, competency, and proficiency so that the employees can direct themselves to catch up with the rapid changes in digital age and create valuable deliverables for the organization to grow sustainably.

Recruiting ‘the Right One’

Makro believes that achieving the business mission starts from potential and efficient personnel. Therefore, the Company pays attention on recruiting and selecting ‘the Right One’ in terms of qualification, competency and attitude that is well-matched with Makro DNA described as a good person with passion for work, determination, dedication, and constant self-improvement. Additionally, Makro puts emphasis on local employment. Consequently, to open each store in Thailand or abroad, the Company aims to hire at least 80% of the locals. As a result, income spreads in the community and the locals are able to serve customers efficiently because they understand customers’ needs.

To recruit personnel to keep up with the business growth, the Human Resource Department is proactive in adjusting the recruitment process through the project “**Makro creates jobs, builds careers**”. It offers the opportunity for students to be intern at Makro. The project is the collaboration with instructors from various educational institutions to design a 16-weeks program aiming to prepare students who pass the internship to be qualified personnel and ready to work which responses to the employment demand of the retail and wholesale business today.

People Development Drives the Organization

Makro has systematically developed career paths for each department, which consists of:

- Emotional skill development, the ability to live with others and self-development or soft skills are cultivated through “**VICTORY – 7 Makro Values**” which are Visionary, Integrity, Challenge, Teamwork, Ownership, Result oriented and Yes we can.
- Essential professional skills development or hard skills to enhance strengths and advance weaknesses of the personnel are conducted through offline programs such as classrooms, on the job training, workshops; and online programs or M-Learning which employees can access the capability development programs from any place and at any time.

The training programs are divided into 3 levels including operation, middle management, and top management. For overseas employees, Makro provides capability development programs prior and during their postings including the training at headquarters and stores in Thailand in order to acquire knowledge and first-hand experience and engage the corporate values and Makro DNA. In 2020, the Company organized an average of 48 hours of training per person per year for managements who are responsible for driving the corporate strategies, and 14 hours of training per person per year for operational employees.

After the completion of each capability development course, performance evaluations are assessed to identify strengths and weaknesses of the personnel and to search for successors of key positions. Potential and qualified personnel will be able to join Talent Development Programs such as Young Talent Program, Makro Business Academy, Makro Sales & Operations Academy to focus on the in-depth skill development.

The society today is entering the digital society. To enhance the potential and readiness of the personnel for coping with the change, Makro implements Digital Literacy Capability Framework including applying digital technology to enhance competency in operations, for example, digital marketing, digital finance, digital supply chain management.

To Become Innovative Organization

Innovation is a factor that enhances the competencies of the employees. The Company, therefore, encourages innovation among employees to progress their job responsibilities. Besides the increase in work efficiency, innovation helps promote the feeling of partnership, pride of their jobs, and willingness to devote themselves to the organization. Moreover, it is a channel to make the management aware of problems at work as well as an opportunity for employees to propose solutions and develop their job responsibilities.

To achieve in becoming an innovative organization, **“Innovation Day”** is quarterly organized with many activities and projects that raise awareness, understanding, and participation in innovation among employees. Employees are encouraged to submit innovation projects within 4 categories including process improvement, product innovation, service innovation, and business model. In 2020, there were 6,649 employees participated in the activity with total 1,398 projects. Some projects create work efficiency improvement, for instance, the **“Smart Item Lookup Project”** – a mobile application that helps employees to search product items with less handheld devices and more agility at work. In addition, many of the projects can lead to positive impacts on the business such as cost reduction and increased sales.

“Makro 4.0 Innovation Awards” offer the opportunity for Makro’s innovators to present innovative projects that they initiate and develop. The committee, consisting of representatives from various departments, select the best project for Makro 4.0 Innovation Awards, which will be nominated at the CPALL Approval Process Excellence, the CPALL President Awards, and the CPG Chairman Awards.

This is to inspire the employees and foster continuous innovation development in the organization. The award winning project this year goes to the project from Bakery Department, namely, the **“Easy-to-do, Easy-to-sell Bakery for Good Profits Project”** which is the development of frozen products with quality control to reduce production process, increase sales and profits, and manage easily and effectively.

Succession Plan

Succession plan is a part of the manpower planning to perform duty in the appropriate field and to keep the talented employee with the organization. Makro has systematically developed succession plans for top management and key positions. The plan includes the internal and external recruitment of high competent personnel from domestic and overseas, the development plan to enhance capability and to prepare for higher-level promotion which focuses on developing technique and management in 3 major skills which are speed, collaborative skill, and innovative skill through theory and practice. The personnel who are under the succession plan will be assigned to work in strategic projects of the organization which is a hands-on learning experience on both technical and leadership skills, to work at Makro overseas store, to attend workshops and development programs such as Makro Leadership 4.0, Super Star Program for Associate Directors, Star Plus Program for Area Managers, Star Program for Store Managers, Functional Development Program, Customer Development Program and Food Service Business Program, as well as to attend seminars by CP Leadership Institution such as Senior Leadership Program and Strategy Program Leadership Development, etc. This is to ensure that Makro will have sufficiency of efficient successors in relation to the demand and the business expansion in the future.

Risk Factors and Risk Management



The Company places a great emphasis on the effective risk management as it is crucial to achieve business goals and reduce potential losses. Since the wholesale business fluctuates with various factors such as quality and price of products, supply chain management as well as changing consumer behavior and demand, the Company has therefore leveled up the corporate risk management by establishing the Risk Management Committee in executive level in order to formulate policies, objectives, and risk management frameworks in line with the COSO (The Committee of Sponsoring Organizations of Treadway Commission) covering all business activities and linked to the corporate strategy.

According to the risk management process, the Risk Management Committee identifies and prioritizes risks, then use such information for establishing the corporate risk management plan, monitoring, auditing, and assessing. The Company has also assigned official authorities responsible for delivering risk management in accordance with the specified plans to limit the impact to an acceptable level including to supervise and support effective risk management throughout the organization.

To determine the corporate risk factors that must be managed and monitored, the Company has analyzed business environment covering internal and external factors, domestic and international events as well as economic, social, and political trends together with technology, competitors, etc. External experts’ perspective on risk factors that arise with companies in the same business has also been considered. Therefore, following risk factors are addressed, managed, and monitored through the year 2020.

1. Strategic Risk

1.1 Risk from Strategy Compliance

Driving the established strategy effectively is the key to achieving the Company’s long-term goals under pressure from a rapid change in business environment, both as an opportunity and a risk. At the same time, the rapid growth of the Company may also cause internal risks in executing its strategy as well. Therefore, the Company has regularly organized workshops for senior executives to enhance knowledge in risk management, trends of

both domestic and international wholesale and retail business including possible risks caused by the spread of COVID-19 and the effects of digital disruption. In addition, the Company has been holding workshops for assessing the risks from implementing strategy and risk prevention measures, and monitors the results from those measures continuously.

The Company has implemented the Makro 4.0 project to develop a new business model responding to changing behaviors and needs of customers as well as to achieve growth according to its stated vision. Additionally, key projects are administered to drive the Company’s strategy and to achieve its five-year goals. All projects are interconnected within broaden aspects in response to the pressures of the changing business environment, market, and customer needs. There is also a process for closely monitoring the projects implementation to ensure that each project is successful as planned.

Furthermore, in 2020, the Company has initiated new projects to promote the sales of products and services that meet changing customer purchasing behavior under the concept of “**Quick-Win Projects**”. These projects are well implemented and provide quick returns, namely E-Donation, Curbside Pick-up, Speed M Delivery, and development of ready-to-cook or ready-to-eat products, etc. Through ongoing development, the management has monitored the progress and the success of the projects closely.

1.2 Risk from Strategic Project Management

As a result of running strategic projects to support the Company's long-term goals as mentioned previously, therefore, in order to manage risks in 2020, the Risk Management Committee has reviewed implemented projects that may have an impact on the corporate strategy in case of delay or failure to meet the goals. Then, measures for monitoring and assessing the success of the projects are administered. To this end, the Company is able to adjust its strategy in response to the rapid changing business conditions to mitigate the risks of each project and to comply with the plan.

1.3 Risk from Overseas Investment and other Business

Overseas business expansion is one of the Company's growth strategies. Such investment may be uncertain on operation and management, so the Company requires the management in each country to assess risks and impacts, including establishing risk management measures to reduce the impact and review the measures that have been established regularly, while the Company has closely monitored the performance of its overseas subsidiaries to ensure that the operating results meet the goals.

Efficiency of business management and store expansion according to the defined plans are key factors in achieving goals according to the strategic plan. Therefore, the Company has employed management and personnel with knowledge, capability, and experiences in each country and appointed high-ranking executives from Thailand to pass on knowledge and share experiences in business administration and business operations to executives and teams in those investing countries. Due to the COVID-19 pandemic, the Business Continuity Management Committee (BCM) has been monitoring the situation in each country closely to provide advice

and deliver various measures having been implemented in Thailand to be applied overseas in order to continue the business operation.

2. Operational Risk

2.1 Risk of Readiness of the Organization and Personnel

One of the risk factors affecting the ability to achieve the Company's strategic goals is the readiness of human resources in regard to skills, knowledge, abilities, sufficiency, and organizational structure that support strategy driving.

The Company has prepared training plans and conducted trainings in various fields for all employees and executives by defining courses that are suitable for personnel at each level so that they have sufficient knowledge and capability to execute the Company's strategic plan. For retaining ongoing operation, the Company has implemented the Succession Management Plan, in particular, a group of key successors of the organization. Specific planning and timeline are set to identify the right person with readiness, co-planning for the personal development plan and monitoring the process.

Moreover, the Company has established the People Committee to manage human resource risks, to establish policies for human resource management and development, and to set up working procedures and corporate culture that are appropriate to support the Company's business success.

2.2 Risk on Food Safety and Product Quality

According to the Company's vision “**To Be Number One Food Solution Provider for Professional Customers**”, together with the Makro 4.0 strategy aiming to be “**The partner... for enhancing people's life**”, the Company places great importance on delivering high quality products that are safe to consumers. Food safety is a factor that affects the reliability of the Company and customer confidence in our products and services.

Therefore, the Company has developed various processes to control the quality of the products to be safe and meet international standards starting from sourcing raw materials to transport. Manufacturers, supplies, and sources of products are strictly traced to ensure that all of them are sourced with quality production.

Food safety has been developed in complying with various certification standards such as GLP, Q Mark, HACCP, GMP Codex, etc. The Company initiates food safety projects, such as Quality Pro for fruit and vegetable products, and creates the Makro i-Trace system so that customers can trace the origin of the product through QR code scanning. To prevent the spread of communicable diseases or pandemic, the Company has monitored the situation and worked closely with the government sectors to allocate suitable measures in a timely manner. Therefore, the Company is able to define concrete management including prevention, controls, and crisis response to ensure that the Company can manage this risk.

Moreover, the Company has appointed a sustainability project committee to promote efficient use of resources and production processes that are environmentally friendly and safe.

2.3 Cybersecurity Risk

Business operation of the Company relies on information technology systems linking across the organization, while attacks and cyber threats are becoming more harmful. There are more diverse cyber threats changing rapidly as new technologies arise. The Company realizes that such threats will affect its business operations and reliability, therefore, cybersecurity measures have been taken to reduce the likelihood of such threats.

The Company has prepared systems and equipment to monitor threats and employed system testing and evaluating periodically. This will ensure that the current system can prevent threats effectively. In addition, the penetration testing is carried out for dealing with cyber attacks. The degree of system and data corruption mitigate as a rehearsal for the emergency backup system on a regular basis in order to be able to deal with the situation in a timely manner.

Moreover, the Company has hired a consulting firm with experiences and knowledge in cybersecurity to assess readiness and to provide advice and suggestions for improving cybersecurity. The Company has also been continuously raising awareness of new threats, prevention, and related IT laws among employees through internal communication channels and training.

2.4 Risk from O2O Business Operation

The Company recognizes the importance of operating the business on a new platform that links online shopping and offline customer service experiences together, thus a new business strategy through Offline to Online Platform or O2O has been initiated. However, running the new platform requires system development and new working procedures. Moreover, the Company has to respond to the needs and expectation of customers on products and services. Consequently, emerging risks from doing O2O platform have impacted in the investment in system development, work efficiency, and customers' satisfaction, for instance, ordering and delay in delivery that affect the quality of the product, especially fresh food. Therefore, the Company places great emphasis on risk assessment from O2O business operation with proactive measures to mitigate emerging risks in various aspects.

The Company has been continuously improving the O2O platform to meet the needs of customers such as creating convenience of ordering through online channels, offering variety of products and payment methods, and providing options for receiving products at stores and delivery services. Space for storage and distribution centers is allocated in some branches in Bangkok, and the packaging process and logistical arrangement have been improved in terms of the efficiency. In addition, training courses for employees and partners responsible for logistics and delivery are provided to enhance their knowledge and understanding about O2O business and how to manage the quality of the delivered products.

3. Reputation Risk

3.1 Corporate Reputation Risk

The Company is aware of the impact that may arise from an increase in the volume and the widespread of negative or false information about the Company, products, and services through online media channels. This could mislead the Company's image and reputation. Therefore, the Company has formulated measures to be able to handle such incidents in a timely manner and to reduce the likelihood of occurrence and the impact of negative news.

In response, the Company has established a team and developed technology to monitor events on social media that may risk the corporate reputation and image. Such incidents would be reported to management with appropriate and preventive measures. Deadlines for reporting, appropriate response, and remediation of situation are clearly defined. There is a project dealing with issues such as employee's services, product quality, and store management to prevent negative reviews against the Company and to address our intention to improve and respond to comments. In addition, a communication system has been established in the normal and critical situations. There are rehearsals to deal with any crises that may arise in a timely manner. The steps of dealing with crises are reviewed periodically.

4. Risk of Laws and Regulations Compliance

4.1 The Risk from Changes in Local and International Laws and Regulations

Since the Company has operated business both in Thailand and overseas, compliance with laws and regulations of each country including the Company's own internal policies is employed. Nevertheless, partial failure to comply with laws, rules, and policies of each country may cause a delay and may affect the reputation of the Company. Eventually, it may bring about punishment, fines, or losing business opportunities.

The Company's Legal Department closely monitors the news and information from the government affecting business operations, then informs the management and relevant departments internally. The Legal Department also organizes trainings to provide knowledge about the changing laws and regulations for relevant internal units. The department is also involved in developing work processes that may be affected or have to change from those laws. This is to ensure that the Company has obeyed the laws with a system developed to help monitor and report compliance such as contract preparation, contract and license renewal related to the operations of the Company.

In order to comply with the Anti-Corruption Act, the Company declared its intention to join the Thai Private Sector Collective Action Coalition against Corruption

(CAC). The Company was certified as a member of the CAC project on 12 February 2018, and has already processed for membership renewal in December 2020. A corruption risk assessment is administered among internal activities of the Company associated with government agencies and are at risk of corruption.

In conducting business of overseas subsidiaries, the Company hires local and international legal advisors to closely monitor changes in laws and regulations and provide legal advice in the countries in which the Company conducts business.

4.2 Risk of Compliance with Personal Data Protection Act

Due to the Personal Data Protection Act 2019 (PDPA) that will come into force on 1 June 2021, the Company has considered the impact of such law on the personal data storage, which includes information of membered customers, employees, suppliers, and distributors.

The Company has hired consultants and set up a working team and committee on PDPA to improve the computer system and the related work procedures and to formulate policies dealing with the protection of personal data. It is to ensure that the Company can duly and fully comply with the requirements of this law. In addition, the Legal Department organizes trainings for the management and relevant employees to acknowledge and understand the impact and changes that may affect their job.

5. Environmental and Hazard Risk

5.1 Risk from Pandemic

In 2020, the Company has been facing the risk of COVID-19 pandemic which widely affects the economy in a large scale, both in Thailand and overseas. Changes occur from government regulations to consumer behaviors, increasing online shopping, and limited expenditure or purchasing power affected by government lockdown measures. To cope with the spread of COVID-19, the Business Continuity Management Plan (BCM) has been developed. The committee and working teams have been appointed to respond to the pandemic, emergency, and government measures. Various preventive measures have been carried out such as preparing protective equipment including face masks, alcohol gel dispensers,

temperature measurement for employees and customers, while some employees are assigned to work from home. In case that employees are found to be at risk of exposure to the disease, investigation and separation of employees have been undertaken. The Company's measures are successfully enforced, and no employees have been infected with COVID-19. The Company has set forth the communication measures and understanding among staff, stakeholders, and government agencies.

5.2 Risk from Natural Disasters

The Company places importance on inclement weather such as drought, flood, and windfall, which affect agricultural products of farmers, product transportation from suppliers, logistics and distribution network of the Company, as well as travelling of customers to the stores. The Company has therefore developed a Business Continuity Management Plan (BCM) which includes allocating branches and distribution centers across the country that can deliver products for other branches in case of emergency. In addition, the Company has a broad network of partners which will be able to supply products to customers continuously as well as providing convenient online ordering service so that customers do not have to go shopping at the stores.

Awareness on reducing the impact from natural disaster risks in the future, especially the flood risk, the Company has scattered the location of the distribution centers by selecting places with low risk from natural disasters and set out responsive measures in response to any incidents, for example, using electricity from multiple sources and self-production of electricity by using solar panels installed on the roof of the distribution centers to help the stores open normally in case of natural disasters.

6. Risk from Majority Shareholders Holding over 75 Percent of Issued Shares

As of 31 December 2020, the majority shareholders of the Company include Siam Makro Holding (Thailand) Limited and CP All Public Company Limited. Both are companies under CP All Group, being the majority shareholder with total shareholding 93.08 percent of the issued shares in the Company. Investors may have concerns over the shareholding proportion and on the risk that the majority shareholders with more than 75 percent of shares could exert control over the Company's resolutions or decision-making processes, including extraordinary resolutions in shareholders' meeting, and therefore preclude minority shareholders from gathering enough votes to ensure of proper checks and balances on issues proposed by the majority shareholders.

The Company strongly adheres to the principles of good governance in its business operations and provides equal opportunities for minority shareholders to propose the agenda at shareholders' meetings and nominate candidates for director positions prior to the annual general shareholders' meeting. In addition, the Company's Board of Directors consists of 5 independent directors, or one-third of the total number of directors, who assume the responsibility of protecting the rights and benefits of minority shareholders and are also considered experts and widely respected individuals. The Company has further appointed 3 independent directors to serve as the Audit Committee to ensure transparency in auditing and balancing the Company's management. Finally, any issues relating to the majority shareholders or transactions that could be a potential conflict of interest for the Company must be processed in strict compliance with related party transaction rules or approval mechanisms under the legal framework.

Corporate Governance Report



The Company’s Board of Directors places a high value on conducting business under good corporate governance and business ethics through transparency, integrity, ethics, and responsibilities towards society, environment and all stakeholders as well as supports all forms of anti-corruption practices for the purpose of creating value and long-term business operation, establishing trust and confidence among shareholders, investors and all stakeholders, leading the Company towards sustainable growth.

The Board appoints the Corporate Governance Committee to oversee, monitor, support and promote the Company’s operations to be in compliance with the guidelines on corporate governance and Code of Conduct as well as to review, improve and develop good governance policies and guidelines that are aligned with corporate strategies, business directions, regulatory requirements including the Securities Exchange Commission (SEC), the Stock Exchange of Thailand (SET), local and international evaluation criteria.

In 2020, the Company achieved its goals on good corporate governance practices with an “Excellent” rating in the 2020 Corporate Governance Report of Thai Listed Companies (CGR) for the third consecutive year. In addition, the Company received full marks out of 100 marks for the fourth consecutive year from the Thai Investors Association (TIA) in the quality assessment of organizing the Company’s 2020 Annual General Shareholders Meeting (AGM Checklist).

1. Corporate Governance Policy

The Board published the Corporate Governance Policy in the “Corporate Governance and Code of Conduct Manual” since 2012. The Manual has been published on the Company’s website at www.siammakro.co.th and made available to interested public to study and download. The Company defines roles and responsibilities of the Directors, executives and employees of the Company and its subsidiaries for acknowledging and strictly adhering to the policy.

The Board regularly reviews the corporate governance policies and guidelines according to the Principles of Good Corporate Governance for Listed Companies 2012 issued by the SET and the Corporate Governance Code for Listed Companies 2018 (CG Code) issued by the SEC and appropriately adapts to the Company’s business context.

In the past year, the Company’s practices deviated from the SET / SEC as follows:

Guidelines of SET/SEC	Practices of the Company
1. The Board of Directors comprises at least 5 members and no more than 12 members.	Currently, the Company’s Board of Directors is composed of 15 directors. The Board agreed that this composition is appropriate for the size and nature of the business. Due to continuous local and international expansion, the Company, therefore, requires a diversity in the Board composition which is beneficial for corporate governance to ensure that the business management of the executives aligns with the corporate directions and strategies set out by the Board.
2. The Chairman of the Board should be an Independent Director	Although the Chairman of the Board is not an Independent Director, the Company’s Board of Director has established an adequate and proper internal control and internal audit system. In addition, the roles, duties, and responsibilities of the Chairman are clearly defined in the Company’s Board Charter in separation from the roles, duties and responsibilities of the Board of Directors and the Chief Executive Officer in order to create a check-and-balance mechanism, without interfering the business operation of the executives, allowing the Chairman to independently perform duties, express opinions, and cast the votes.
3. More than half of the Board of Directors shall be composed of Independent Directors	<p>Currently, the Board is composed of five Independent Directors, or one third of the total number of directors as required by the SEC’s regulations. The Board agreed that this composition is sufficient and appropriate for the business, and that the Independent Directors can perform their duties efficiently.</p> <p>The Company’s procedure for director nomination places an importance on having Independent Directors to protect the rights and benefits of minority shareholders. At the same time, the Company focuses on suitable qualifications, experiences and knowledge that align with its business operation for the best interests of the shareholders in the long term.</p> <p>In addition, the Company established rules for the approval of transactions. For instance, any director who has a vested interest in a certain matter or any director who is considered as a related person in a related party transaction shall not have the right to cast the vote on that matter.</p>
4. The Company uses cumulative voting in the election of the Board members.	The Company’s Articles of Association require that an election of directors shall be decided by majority of votes. Each shareholder carries the number of votes in equivalent to the number of shares held. The Board is of the opinion that this conforms to general practice and is fair to all shareholders. Moreover, the Company has consistently devised other ways to protect the rights of minority shareholders such as encouraging the minority shareholders to exercise their right to propose additional agenda items or nominate director candidates in advance of the AGM.
5. The Company requires a minimum quorum of at least two-thirds for Board decisions.	The Company’s Articles of Association requires not less than half of the total number of directors to constitute a quorum. The Board has opined that the current practice is deemed suitable and flexible for the Company in case there is a need to consider any urgent matter.

2. Code of Conduct

The Board of Directors has established the Code of Conduct for employees and business, which consists of principles and good practices to serve as operating guidelines for the Board of Directors, executives, and employees to obey, in consistent with the principles of corporate governance and the importance of respect, equal and fair treatment to all shareholders, transparency, and auditability.

The Company focuses on continuous people development in terms of knowledge, capability, ethics and morals, and cultivating employees' mindedness on honesty, perseverance, patience and responsibility. The Board of Directors and executives shall be the ethical leaders and role models in performing their duties with integrity, honesty, fairness and transparency in accordance with the Company's Code of Conduct.

3. Communication and Promotion on Corporate Governance

In 2020, the Company communicated and arranged various activities to promote the implementation of the policy into concrete practices, to cultivate knowledge and understanding, and to emphasize the importance of corporate governance to employees at all levels, subsidiaries, and stakeholders in the following manners:

3.1 Corporate Governance and Code of Conduct Manual

The Company has distributed the Corporate Governance and Code of Conduct Manual, which serves as operating guidelines for all directors, executives, and employees of the Company and its subsidiaries to strictly obey. Upon receipt, every director, executive and employee must study the content and sign the **"Acknowledgement and Confirmation for Compliance Form"** and return the form to the Human Resources Department for record-keeping. The Company regularly reviews and updates the Manual in alignment with the business context and adapt the current practices to meet the national and international standards. The Manual has been published on the Company's website for easy access of stakeholders and the public.

3.2 Communication of the Manual and Compliance with Corporate Governance to Stakeholders

Besides publishing the Corporate Governance and Code of Conduct Manual, Anti-Corruption Policy and Business Partner Code of Conduct on the Company's website, the Company further communicates these policies, guidelines, and whistle-

blowing channels in various events, e.g. analyst meetings, annual suppliers conference, issuing notification letters to business partners seeking their cooperation on no-gift policy to Company's executives and employees, posting the policy on the website and internal board, supporting the executives and employees to participate in activities for promoting corporate governance, business ethics, and anti-corruption and encouraging them to continuously stress the importance on this matter.

3.3 New Employees Orientation and Training

The Company communicates the Corporate Governance and Code of Conduct Manual together with the Anti-Corruption Policy to all new employees during orientation to create and promote awareness on the first day of employment.

In 2020, the Company launched e-Learning curriculum on Anti-corruption and Corporate Governance and Code of Conduct on 14 August 2020 and 12 October 2020, respectively. Employees can access the Anti-corruption and Corporate Governance and Code of Conduct training and evaluate their understanding. In addition, the Company regularly conducts training on **"Supplier Code of Conduct"** to build awareness on business ethics and promote anti-corruption practices.

3.4 Channels of Communications for Seeking any Guidelines or Submitting any Enquiries



SET and Investor Relations Department
Siam Makro Public Company Limited
1468 Phatthanakan Road, Phatthanakan Sub-district,
Suan Luang District, Bangkok 10250



ir@siammakro.co.th



0 2067 8255 and 0 2067 8261

In addition, the Company has defined measures and channels of submitting complaints and whistleblowing on "Monitoring Compliance and Whistleblowing".

4. Compliance with the Principles of Good Corporate Governance

Section 1 Rights of Shareholders

The Company values the importance of protecting the rights of every shareholder. To ensure that every shareholder has the fundamental rights equally such as the right to attend

shareholders' meetings, the right to propose agenda and/or nominate directors to the shareholders' meetings, the right to express opinions and ask questions at the shareholders' meeting, the right to receive dividend, the right to elect and terminate directors, and the right to determine remuneration for directors, the Company does not violate or derogate the right of the shareholders but facilitate the shareholders and investors to exercise their rights on the basis of equality, transparency and fairness under the law, Corporate Governance Policy and Business Code of Conduct as well as efficient and effective management for the best interests of the shareholders.

2020 Annual General Meeting of Shareholders

The Company held the 2020 Annual General Meeting of Shareholders ("AGM") on 24 July 2020 at the Convention hall, 4th Floor, Siam Makro Public Company Limited, Tara Phatthanakan Building, 1468 Phatthanakan Road, Phatthanakan Sub-district, Suan Luang District, Bangkok. The meeting was delayed from the date stipulated by law due to the outbreak of the Coronavirus disease 2019 and the compliance to the government measures to control the spread of the disease.

Before the AGM

1. Provided the opportunity for shareholders to exercise the right to propose agenda and nominate qualified candidates to be considered for the election of the directors of the Company in advance prior to the 2020 AGM between 25 October 2019 to 31 January 2020. The Company announced the criteria and conditions to exercise the right on the website of the Company at www.siammakro.co.th and informed the shareholders on the news notification system of the SET.
2. Published the 2020 AGM invitation notice in both Thai and English on the website of the Company more than 30 days in advance prior to the date of the AGM and delivered the invitation notice and supporting documents for the meeting including the objectives, comments of the Board of Directors, Annual Report and Sustainability Report in 2019 in the QR Code format to the shareholders more than 21 days in advance prior to the AGM to give the shareholders sufficient time to review the information prior to the meeting.
3. Delivered a proxy form together with the AGM invitation notice so that the shareholders who are unable to attend the AGM in person can appoint a proxy to attend the meeting on their behalf; included the information of

Independent Directors for shareholders to consider as their proxy to attend the meeting; encouraged the shareholders to use the proxy form that allows them to determine the direction of the votes and exercise the right to cast the votes to elect the directors individually in the director election agenda.

4. Delivered the question form together with the AGM invitation notice to give the opportunity for shareholders to send questions or share comments on the agenda in advance.
5. Encouraged the institutional investors to attend the AGM by contacting and coordinating with them to ensure that their proxy forms were ready prior to the AGM to facilitate the registration process of the AGM.

On the Date of the AGM

1. Used technology and barcode system in the registration process, vote counts and vote results display for speed and accuracy.
2. Allowed shareholders to register 2 hours in advance prior to the meeting. In case any shareholder registered after the meeting started, the Company still granted the right to the shareholders to cast their votes for the ongoing and unresolved agenda, and considered as part of the quorum from the agenda that the shareholders were present.
3. Granted the voting right of shareholders as one vote per share. Prepared separate ballots for each agenda item including separate ballots for each Director on the agenda of the appointment of Directors. Arranged individuals to audit the vote counting process.
4. Fourteen out of 15 members of the Board, as well as auditors, independent legal counselors attended the meeting. The Chairman of the meeting informed the number and the proportion of the shareholders who attended the meeting, shareholders by proxy, voting procedures, vote counting procedures from the commencement of the meeting, voting by agenda as specified in the invitation notice without including additional agenda, and conducting the meeting according to the Company's Articles of Association as well as giving an equal opportunity to shareholders to ask questions and express opinions according to the meeting agenda and responding to every question in the AGM.
5. Arranged the quality assessment of the AGM through conducting shareholders' questionnaires and took the comments, opinions, and suggestions for improvement of the meeting to be more efficient, transparent and beneficial for the shareholders.

After the AGM

1. Published the resolution of each agenda together with the voting results in the evening of the date of the meeting via the news system of the SET and the Company's website.
2. Published the minutes of the meeting that recorded the full details of the meeting including resolutions, voting results, and questions of shareholders in each agenda on the Company's website within 14 days after the AGM and notified shareholders via the news system of the SET.

Section 2 Equal Treatment of Shareholders

The Company establishes a policy to treat every shareholder equally without discrimination and in compliance with the corporate governance policy and Code of Conduct according to the following guidelines:

1. Establishment of policies, regulations, and notifications and regular updates to the Executives, officers, and other related persons on the Company's principles relating to the lawful conduct and the ethics in the business operation within the Company and third parties, particularly the policy on keeping and preventing the use of inside information. The Company has set out the code of conduct on keeping confidential information and use of inside information as well as on conflicts of interest in the Corporate Governance and Code of Conduct Manual, which can be downloaded from the Company's website. In the past year, the Directors and Executives of the Company have not had any transactions on the securities by using inside information, and there has not been any violation of the regulations on the transaction of Securities or the connected transactions according to the regulations of the Security Exchange Commission.
2. No financial assistance to any person or juristic person besides Company's subsidiaries.
3. Establishment of Investor Relations Department to serve as a communication channel for both majority shareholders or minority shareholders, institutional investors, and analysts to make suggestion, comment, or request information directly by e-mail at ir@siammakro.co.th or by phone at 0 2067 8285 (Direct Line).
4. The Company set out measures and procedures for the approval and the compliance of the connected transactions according to the laws and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand and complied with the laws and regulations on the connection transactions.

For the connected transactions under the authority of the Board or the management, the Company ensures that such transactions are carried out on a fair, transparent and arms' length basis.

Section 3 Roles towards the Stakeholders

1. Corporate Governance and Business Ethics

The Company recognizes the importance of every group of stakeholders by upholding the principle to protect their interests equitably and establishes written policy and guidelines towards the stakeholders in the **"Corporate Governance and Code of Conduct Manual,"** which is summarized as follows:

Shareholders

The Company operates the business with honesty, transparency, and fairness towards every shareholder for the best interests of the Company and is committed to grow with stability and sustainability to create promising long-term returns to the shareholders.

Customers

The Company is committed to source and increase the assortment of products to meet customer demands, control the product quality and safety standards, especially food safety. The Company continuously improves and develops the service to create new experience when buying the products and build good and sustainable relationship with the customers to achieve customers' satisfaction. The Company set out standard guidelines for customer service to be adopted by every store without discrimination.

The Customer Development Team regularly visits the customers to build good relationship, carries out an annual customer satisfaction survey and analyzes the survey results for improvement of the service to increase customer's satisfaction. The customer satisfaction score for this year was 85.6%.

Employees

- The Company has a policy to focus on people development and training for better work quality and efficiency and to provide the employees with opportunities in their career path. The Company constantly carries out executive development for the preparation of job rotation within the organization.
- The Company develops a succession plan by evaluating the readiness of the successors for the key positions of the Company and determining the individual development plan to prepare for the succession for future business

expansion, change of organization structure and replacement of retired employees. The Company conducts annual review of the succession plan.

- The Company focuses on occupational health and safety by announcing the "Occupational Health and Safety and Workplace Environmental Management Policy", establishing the Occupational Health and Safety and Workplace Environmental Management Committee and the occupational safety officers at a supervisory level and an executive level. The Company has adequately and appropriately implemented procedures to prevent any loss of life, injury from accidents and illness related to work operation. The Company also provides a safety manual for every employee and continuously promotes various work safety activities with officials and government agencies.
- The Company conducts the Employee Engagement Survey to analyze factors that affect the employees' satisfaction and engagement. The results are used to improve employee's satisfaction and engagement towards the Company.
- The Company establishes a fair compensation and benefits program for employees and executives to suit their job grade, knowledge, capability, and responsibilities in connection to their performance. The compensation and benefits are competitive in the market within the same industry. The compensation policy aims to maintain and build employee's motivation to improve the work performance, which leads to the Company's success, for instance, the guidelines on salary increment, salary increase from the change of responsibilities and market environment, implementation of provident funds to create long-term stability for the employees after retirement or termination of employees, and other benefits such as employee medical benefits, life and accidental insurance.
- The Company conducts performance assessment and carries out salary review of the executives and employees every year by using the Key Performance Indicators (KPIs), short-term performance and long-term performance according to the Company's strategy.

The performance assessment also correlates with the compensation policy of the individual performance, which can be benchmarked with other business in the peer industry to remain competitive in human resources. The Company also provides variable bonus that is in line with the employee's performance (applicable for Section Managers and above) to motivate employees to achieve the Company's goal.

Suppliers and Creditors

- The Company treats suppliers in a fair manner by considering mutual benefits and honors the agreements made with every supplier, creditor, and guarantee creditor by making payments according to the terms and conditions of the agreements. In case the Company is unable to comply with any terms and conditions, the Company would promptly inform the creditors to seek a solution.
- The Company sets out a procurement policy and regulation by determining maximum budget or authorization for the purchase to ensure that the procurement process is systematic, efficient, transparent and complies with the corporate governance principles.
- The Company focuses on selecting appropriate suppliers by determining qualification criteria of the suppliers and procedures for fair selection as follows:
 - 1) Having reliable financial credits and potential for long-term growth with the Company,
 - 2) Manufacturing or distributing quality products that meet the requirements and permitting quality check, and
 - 3) Supporting and providing after-sale services to customers.
- The Company established **"Supplier Code of Conduct"** to ensure that the Company carries out business activities under human rights principles throughout the value chain including the society, community, and suppliers. The Company also carries out activities with suppliers by hosting seminars to communicate its policy on conducting sustainable business every year to educate, prepare and strengthen the relationship with the suppliers.

Competitors

The Company operates its business under the rules of international competition and the laws relating to fair trade competition by setting out the following guidelines relating to competitors:

1. Competing within the framework of fair competition,
2. Not seeking any confidential information of competitors in a dishonest or inappropriate manner, and
3. Not destroying competitors in a dishonest manner or not undertaking any actions unfairly or without facts.

Society and the Environment

The Company realizes the importance of the society and the environment by promoting the social responsibility in every store from the beginning, seeking cooperation in volunteer activities in the community, participating in the development of education, society, and the environment. The Company

specifies policies that demonstrate the responsibility towards society and the environment such as the energy policy that serves as guidelines on energy activities and promotes the effective and efficient use of energy.

2. Monitoring Compliance and Whistleblowing

All Directors, Executives and employees have the roles and responsibilities to acknowledge, understand and strictly abide by the Corporate Governance Policy. The Company believes that the supervisors at all levels must monitor their subordinates to understand, comprehend and comply with the policy.

Measures on Whistleblowing and Submitting Complaints

The Company arranged the channels to report any complaint or suspected misconduct including filing a complaint, investigating facts, making a conclusion, and protecting the whistleblowers and related persons. The purpose is to receive the complaints, opinions, or suggestions from anyone who might be impacted or at risk of being impacted by the business activities or from any actions of the Company’s employees, which could be considered as violation or non-compliance of the laws, regulations of local authorities, Corporate Governance Policy, Code of Conduct, regulations and Articles of Association of the Company including any conduct that could be illegal or causing unlawful personal gains or for others’ benefits such as asset misappropriation, corruption, and fraud. The Company published such measures in the Corporate Governance and Code of Conduct Manual, Anti-corruption Policy, and the Company’s website.

Channels of Complaints and Raising Concerns



Chairman of the Board
Chairman of the Audit Committee
Group Chief Executive Officer - Siam Makro
Board of Directors
Head of the Internal Audit Department
Siam Makro Public Company Limited
1468 Phatthanakan Road, Phatthanakan Sub-district,
Suan Luang District, Bangkok 10250



cgooffice@siammakro.co.th



0 2067 9300



0 2067 9119

Whistle-blowing Procedure

For any suspected incident, the concern can be reported through the above channels. The Company encourages disclosure of identity of whistleblowers so that the Company can contact them for additional information, reporting progress, and informing the fact. However, the whistleblowers may choose not to disclose their identify for safety purpose. Once the complaint has been received, the Company would take appropriate actions or submit the matter to the relevant persons to consider on the impartiality to proceed based on the content or the issues so that the facts are investigated on a fair, transparent, and accurate basis and to follow-up on the progress to ensure that appropriate actions are taken.

False Report with Intention to Harm Reputation of Others

If the report is proven to be false with the intention to misrepresent the fact or to slander others, the Company will consider the person who submitted such report as a violation of the Company’s Code of Conduct. The penalty will be considered by the Company’s regulations and/or the applicable laws.

Protection of the Whistleblower or Relevant Persons against Retaliation

The whistleblowers or the persons who submit a suspected report will be protected appropriately and fairly by the Company such as no transfer or change of position, job nature, workplace, suspension, threat, dismissal or any other unfair actions. The Company will keep the content of the report confidential unless required to be disclosed by law or other entities for fact investigation.

Anyone acknowledged or involved in the complaints must keep the information confidential and not disclose it to others unless required to disclose by law. In case the matter is intentionally disclosed, the Company will take disciplinary actions according to the Company’s rules and regulations and/or take legal actions as appropriate.

In 2020, the Company found neither complaints relating to any activities that would violate the applicable laws, regulations of local authorities, Corporate Governance Policy, Code of Conduct, regulations and Articles of Association of the Company nor behaviors that could be considered as unlawful or material breach of ethics.

Penalty

The Company specifies disciplinary actions to employees who violate the rules and regulations of the Company and takes enforcement and penalty seriously. The Company communicates and encourages the employees to recognize the work ethics and take the complaints to improve their work and develop prevention plans.

3. Anti-Corruption Practice

The Company is committed to conducting its business based on honesty, transparency, and fairness under the principles of corporate governance, business ethics and international practices. The Company is well aware of the impacts of corruption on the reputation and confidence of investors, business partners, and customers of the Company. Corruption is also an obstacle for the sustainable growth of the Company and the economic development of the country.

The Board of Directors established the “Anti-Corruption Policy” in writing which has been constantly reviewed and updated to serve as guidelines for Directors, Executives, and employees and is considered as part of the work regulations. Employees have the duty to study, understand and strictly comply with the guidelines on the Anti-Corruption Policy. Anyone who violates or does not abide by the policy is subject to disciplinary actions according to the Company’s rules and could be terminated. Legal procedures will be enforced in case of violation to the law. However, the Company has a policy not to demote, punish, or cause any retaliation against any employees who refuse the corruption even though such action may cause the Company to lose the business opportunity.

The Company has implemented the policy and related guidelines in concrete action, which demonstrates the intention and determination on anti-corruption practices as follows:

- Publishing the Anti-Corruption Policy and related guidelines to internal and external parties so that all stakeholders would acknowledge the intention and determination of the Company to fight against all forms of corruption in various channels such as internal circulars, notice board, intranet, website, employees’ trainings and new employees’ orientation.
- Promoting “No-Gift Policy” before new year’s festival through internal and external communications such as putting up posters in various areas at the head office and stores to encourage work transparency; and informing

suppliers, customers, financial institutions, and relevant business entities to seek cooperation not to give gifts or souvenirs to Executives or employees of the Company and its subsidiaries.

- Encouraging every employee involved in the activities relating to promoting, tracking, and supervising on anti-corruption to participate in seminars and courses on anti-corruption prevention organized by external parties to constantly study, review and improve the anti-corruption practices of the Company.
- Ensuring that the risk management procedures from the beginning by identifying internal and external risk factors, evaluating and analyzing material risks, determining risk mitigation plans, and appointing responsible persons for risk management to reach an acceptable level. This risk management incorporates the strategic plan procedures, investments and operations including anti-corruption.
- Establishing clear guidelines on activities that have high risks in corruption such as political contribution, donation for charities or financial support, gifts, reception, and other expenses, and facilitation payments to ensure that the employees of the Company will not engage in any activities that may lead to corruption.
- Ensuring an internal control system to mitigate any corruption risks such as establishing Corporate Authorization Procedure that determines scope, duties, and responsibilities on each position, and establishing the internal audit department to monitor the operations of each department to ensure conformity with the work procedures relating to budget.
- Having joined as a certified member of the Thai Private Sector Collective Action against Corruption (CAC) since 12 February 2018 with 3-year certification period and expiration on 12 February 2021. The Company submitted the self-assessment form relating to the anti-corruption measures and supporting documents for re-certification of the CAC membership in December 2020.

4. Intellectual Property Policy and Guidelines

The Company established a policy and guidelines relating to intellectual property in the Corporate Governance and Code of Conduct Manual, which incorporate the following content:

- Not supporting any business that is considered as infringement of intellectual property or copyrights according to the intellectual property laws. If any violation is found, the Company will take immediate and appropriate actions to cease or terminate the access of the accused infringement.

- The Company will take immediate and proper actions according to the regulations on employee’s disciplinary procedures and inform the person who infringes the intellectual property for acknowledgement.

5. Human Rights

The Company sets out a policy on human rights by ensuring that human rights is the fundamental rights of humans and supporting human rights protection. The Company treats all stakeholders fairly without any discrimination based on race, gender, age, color, and religion. The Company ensures that it does not violate human rights by elimination of forced labor, abolition of child labor or illegal workers.

6. Monitoring of Conflicts of Interest

The Company places a high importance on monitoring and preventing conflicts of interest. Due to its policy to conduct business with honesty, integrity, transparency, and fairness, the Company, therefore, established the Code of Conduct on Conflicts of Interest in the Corporate Governance and Code of Conduct Manual. The Company also established guidelines for Directors and Top Executives to report their vested interests and for Management and employees of the Company and its subsidiaries to declare their conflicts of interest, as well as guidelines on connected transactions as follows:

- Reporting of Vested Interests
The Company requires its Directors and Top Executives to report their and their related persons’ vested interests according to the Notification of the Capital Market Supervisory Board, Tor Jor 2/2009 on the Report on Vested Interests of Board of Directors, Executives, and any Related Persons.
- Declaration of Conflicts of Interest
The Company requires all full-time employees of the Company and its subsidiaries and part-time employees who work with suppliers, distributors, customers, contractors, and service providers to declare their conflicts of interest to ensure of transparency in performing their role and prevent any possible conflicts of interest. Such information will be taken into consideration for appointment or project assignment without causing any harm or complaints or potential cancellation in the future.
- Connected Transactions
If a connected transaction is inevitable, it is required to strictly comply with the rules and regulations issued by the regulators. If the transaction contains general commercial conditions, it must follow the principles approved by

the Board and must be treated in the same way as ordinary transactions undertaken with third parties, considering the best interests of the Company. Any stakeholders involved in a transaction with conflicts of interest must not take part in the approval process.

7. Control and Prevention of the Use of Inside information

The Company established the measures to control and prevent the use of inside information by setting out the code of conduct on confidentiality and use of inside information in writing to create equality and fairness for all shareholders and prevent the Directors, Executives or relevant employees from purchasing or selling the Company’s securities or seeking unlawful benefits from the use of inside information.

- Control of the Use of Inside information
The Company’s personnel must keep confidential the inside information of the Company that is material and has not been disclosed to public and must not disclose the said information for their own or other’s benefits. They must strictly comply with the code of conduct on confidentiality and use of inside information.
- Sale and Purchase of Company’s Securities
Directors, Executives, and employees has the right to sell or purchase the Company’s securities. The Directors and the Executives including their spouses and minority children that have purchased, sold, transferred, or received the securities of the Company must prepare and report the Change of the Company’s Securities to the regulator as required and report to the Board for acknowledgement every quarter.

However, to prevent any conflicts of interest or selling or purchasing the Company’s securities by using inside information, the Company Secretary must submit a notification requesting for cooperation from Directors, Executives and employees who are related to the inside information as well as spouses and minority children to refrain from purchasing, selling, transferring, or receiving the Company’s securities during 1 month prior to the disclosure of the financial statements to the public.

- Non-Disclosure Agreement
The Company requires the Executives, employees, and external parties involved in pending projects that have not been disclosed to the public to sign Non-Disclosure Agreements in order to be mindful when using sensitive information and prevent disclosure of confidential information of the projects to unrelated persons.

8 Corporate Social Responsibility (CSR) Policy and Guidelines

The Company is committed to social responsibility by taking into consideration the interconnection of the economy, the society, and the environment. The Company has established the Sustainable Development Committee to drive the CSR activities towards sustainable development.

The Company aspires to conduct the business under good governance principles and responsibilities towards the society and the environment. Therefore, the Company focuses on developing the business for sustainable growth and creating values for all stakeholders, which include promoting activities that will create long-term benefits to the community. The Company aims to grow the business while uplifting the quality of the community and the society, and thus, sets out the CSR Policy that incorporates the following criteria:

1. Fairness in business operations
2. Anti-Corruption practices
3. Respect for human rights
4. Fair treatment of labor
5. Responsibility towards consumers
6. Environmental conservation and protection
7. Contribution to the community and social development
8. Creating and disseminating innovation with responsibilities towards society, environment, and stakeholders

Section 4 Disclosure and Transparency

1. Besides publishing information as required by the regulations through the channel of the Stock Exchange of Thailand and in the Annual Registration Statements (Form 56-1) and the Annual Reports, the Company discloses information in Thai and English through other channels of communications such as the Company’s website with such information being regularly updated.
2. The Board of Directors recognizes the importance of disclosing both financial and non-financial information as required by law based on accuracy, completion, transparency, punctuality, and impartiality so that the investors and every group of the stakeholders will receive reliable and adequate information for their decision making on investment. The Company established the Investor Relations Department to be responsible for communication and dissemination of information of Company that would be useful, accurate and complete according to the regulations of the SET and the SEC to shareholders, investors, analysts and the public. The information in both Thai and English

is communicated through various channels such as notification via the system of SEC and SET, the Company’s website, newspapers, magazines, press release, analyst meetings, virtual meetings and telephone. In 2020, the Company has changed the format of the activities and communication to be in consistent with the regulations and COVID-19 disease control measures.

Shareholders, investors, and any interested parties can contact the Investor Relations Department to obtain information through 4 channels as follows:
Siam Makro Public Company Limited
SET & Investor Relations Department
1468 Phatthanakan Road, Phatthanakan Sub-district, Suan Luang District, Bangkok



ir@siammakro.co.th

0 2067 8285 (Direct Line)

0 2067 9044

3. The Board of Directors arranges to incorporate the Report of the Board of Directors’ Responsibilities for Financial Statements and the Auditor’s Report in the Company’s Annual Report.
4. The Company discloses the roles, duties and responsibilities of the Board, the Sub-committees, the Chief Executive Officer, the term of the Directors, the Board’s meetings, and the policy on the remuneration of its Directors and Executives, as details described in Section “Capital Structure and Management Structure”.
5. Directors and Executives have the duties to report to the SEC on any purchase, sale, transfer, receipt of the Company’s securities made by them or their spouse or minors according to Article 59 of the Securities and Exchange Act. Such transactions are also required to be reported to the Board on a quarterly basis. This practice is an important guideline to oversee the use of inside information.

In addition, to comply with the Notification of the Capital Market Supervisory Board, Tor Jor 2/2009 on the Report on Vested Interests of Board of Directors, Executives and any Related Persons, the Company has set out a policy

for Directors and Executives to report on their vested interests and their related persons on an annual basis and report the change of any changes on a quarterly basis (if any). Such information will be kept for internal use only.

Section 5 Responsibilities of the Board of Directors

1 Board Structure

- The Board of Directors consists of 5 Independent Directors with 1 female Director, from the total of 15 Directors, which is equivalent to one-third of the Board according to the criteria of the SEC. All Independent Directors are fully qualified on their independence as specified in the criteria, and they can perform their duties and express their opinion freely.
- To carry out corporate governance in a thorough manner and in accordance with the good corporate governance principles, the Company has the sub-committees, Executive Committee and Company Secretary that have the roles to support the performance of the Board.
- The Board structure must take considerations of the diversity of skills, knowledge, capabilities, and experience that would benefit the business such as technology, accounting and finance, business, management, international marketing, strategy, crisis management, law, and corporate governance without discrimination based on gender, race, religion, age and other special circumstances.

2 Board of Directors' Meetings

- The Board of Directors requires to have a meeting at least once every quarter to review the Audit Committee Report and approve the financial statements on annual basis and quarterly basis, and at least once a year to consider the Company's strategy and business plan. The meeting is shcheduled one year in advance so that the Directors can manage the schedule to attend the meeting and the agenda is clearly defined. The Chairman of the Board may call for additional meetings in exceptional circumstances if requested by any Director or there appeared to be any urgent matter that requires special Board's approval.
- The Board of Directors has a policy to encourage the Independent Directors / Non-executive Directors to meet at least once a year or as necessary to discuss the management issues relating to their area of interest without having the management attend the meeting and inform the result of the meeting to the Chief Executive Officer.
- The Chairman of the Board considers and approves the agenda of the Board's Meeeting as well as other matters proposed by any Director and gives the opportunity to the Group Chief Executive Officer – Siam Makro and the Company Secretary to propose other matters in the agenda in advance prior to each meeting.
- The Company Secretary is responsible for delivering an invitation notice and the meeting agenda as well as meeting documents to the Directors at least 7 days in advance so that the Directors can study them before the meeting.
- In 2020, there were 9 Board of Directors' Meetings, 8 Audit Committee Meetings, 2 Nomination and Remuneration Committee Meetings, 3 Corporate Governance Committee Meetings, and 1 Shareholders' Meeting. One Directors Meeting without the Management was also held.
- The Company Secretary or the assigned person shall make the record of the meetings in writing and carry out record-keeping of the minutes of meetings verified by the Board so that the Directors or relevant persons can request or audit the information.

Meeting Attendance of the Board of Directors and Shareholders Meeting in 2020

Name	Position	Meetings				
		Board of Directors (9 times)	Audit Committee (8 times)	Nomination and Remuneration Committee (2 times)	Corporate Governance Committee (3 times)	Shareholders (1 time)
1. Mr. Suphachai Chearavanont	Chairman of the Board of Directors (appointed on 18 February 2020)	8/8	-	-	-	1/1
2. Mr. Joti Bhokavanij	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	9/9	8/8	2/2	-	1/1
3. Mr. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance Committee	9/9	-	-	3/3	1/1
4. Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee	9/9	8/8	-	-	1/1
5. Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance Committee	9/9	8/8	-	3/3	1/1
6. Mr. Prasobsook Boondech	Independent Director/ Member of the Nomination and Remuneration Committee	9/9	-	2/2	-	1/1
7. Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	9/9	-	2/2	-	1/1
8. Mrs. Suchada Ithijarakul	Director/ Second Vice Chairman/ Group Chief Executive Officer – Siam Makro	9/9	-	-	-	1/1
9. Mr. Prasert Jarupanich	Director	9/9	-	-	-	1/1
10. Mr. Pittaya Jearavisitkul	Director	9/9	-	-	-	1/1
11. Mr. Piyawat Titasattavorakul	Director	9/9	-	-	-	1/1
12. Mr. Narong Chearavanont	Director	9/9	-	-	-	1/1
13. Mr. Adirek Sripratak	Director	8/9	-	-	-	0/1
14. Mr. Umroong Sanphasitvong	Director/ Member of the Corporate Governance Committee	9/9	-	-	3/3	1/1
15. Mrs. Saowaluck Thithapant	Director/ Group Chief Shared Service Officer – Siam Makro	9/9	-	-	-	1/1

3 Performance Assessment of the Board of Directors

- The Board of Directors is required to conduct performance assessment every year, including 1) the Board of Directors and Sub-Committees Assessment and 2) Individual Assessment (Self-Assessment). The scope of the assessment is as follows:

Board of Directors and Sub-Committees Assessment

1. The Board of Directors’ Policy
2. Structure and qualifications of the Board
3. Roles and responsibilities of the Board
4. Board meetings
5. Performance of the Board’s duties
6. Relationship with Management
7. Self-development of Directors and Executives development
8. Performance of the Audit Committee
9. Performance of the Nomination and Remuneration Committee
10. Performance of the Corporate Governance Committee

Individual Assessment (Self-Assessment) consists of 3 main criteria as follows:

1. Structure and characteristics of the Board
 2. Roles and responsibilities of the Board
 3. Board meetings
- The assessment scores calculated in percentage as follows:
Over 85% = Excellent
Over 75% = Very Good
Over 65% = Good
Over 50% = Satisfactory
Under 50% = Poor
 - The Company Secretary has the responsibility to send the assessment form to every director to conduct assessment by the end of every year and report the result summary to the Board for acknowledgement and discussion on an annual basis.

The performance assessment result of the Board of Directors in 2020 is summarized as follows:

Performance Assessment of the Board of Directors	2020 (%)	Rating
Board of Directors and Sub-committees Assessment	95.3	Excellent
Individual Assessment (Self - Assessment)	96.1	Excellent

- The overall results of the 2020 Board of Directors indicated an average rating of “Excellent” with an average score of both assessments at “95.7%”. The results have been reported to the Board of Directors for their consideration and improvement.

4. Performance Assessment of the Group Chief Executive Officer – Siam Makro

- The Board of Directors arranges the annual performance assessment of the Group Chief Executive Officer – Siam Makro (CEO) by having the Nomination and Remuneration Committee or the assigned Director conduct the assessment. The result of the performance assessment of the CEO is considered confidential and cannot be disclosed. The performance assessment for the CEO has 3 parts as follows:

- Part 1 – Assessment of the Key Performance Indicators
- Part 2 – Assessment of the General Management Efficiency
- Part 3 – Assessment of the Budget and Project Management

The results will be considered for the increment of the remuneration of the CEO and approved by the Board of Directors or the Directors assigned by the Board.

5. Criteria and Procedures for New Directors Appointment

The Company sets out the transparent criteria and procedures for director nomination. The Nomination and Remuneration Committee will search for a qualified candidate based on knowledge, capabilities, work experience, and required skills currently lacked in the existing Board of Directors and in line with the business strategy (Board Skill Matrix) without discrimination based on gender, race, religion, age and other special circumstances. Such candidate must be able to devote the time to fully perform the duty of the directors and must not have any disqualifications as specified by law or principles of good corporate governance.

6. Development of Directors and Executives

- The Board of Directors encourages and facilitates in having training and knowledge sharing to relevant persons in the Company’s corporate governance such as Directors, Audit Committee, Executives, and Company Secretary to gain knowledge and improve performance and efficiency. Such training and knowledge sharing are in the form of internal and external training.
- The Company arranges an orientation session for new Directors or Executives and introduces business direction and strategy for the Company’s operation including preparing important documents and information of the Company, related rules and regulations, nature of business and other relevant information that would benefit them in performing their roles.

- The Company has a development and succession planning program by implementing readiness assessment procedures for successors such as Psychological Test, Ability Test, Leadership Assessment, and Career Road Map. The results will be analyzed, compiled, and communicated to the Executives and the successors to create an individual development plan. The development methods will be integrated so that the successors can quickly develop their potential and respond to the business needs in a timely manner such as arranging the successors to participate in important projects, secondment in subsidiaries abroad, leadership development workshops, leadership development projects with CP Group. The Company encourages and supports knowledge development for every director to enhance the efficiency in performing their duties. The Company also encourages the Board of Directors to attend seminars and training courses arranged by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, or other relevant institutions that would benefit business development of the Company.
- In 2020, the Company arranged a special seminar for directors and Top 50 executives on “Good Governance: A Key Success to Sustainability” and “Anti-Corruption” on 21 September 2020 and a seminar for directors on “Personal Data Protection Act, B.E. 2562 (2019)” on 12 October 2020.

Attendance of Directors in 2020 Training and Development

List of Directors	Details
1. Mr. Joti Bhokavanij	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
2. Mrs. Kannika Ngamsopee	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
3. Mr. Jukr Boon-Long	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
4. Mr. Prasobsook Boondech	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
5. Mr. Korsak Chairasmisak	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
6. Mrs. Suchada Ithijarukul	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
7. Mr. Prasert Jarupanich	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
8. Mr. Pittaya Jearavisitkul	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
9. Mr. Piyawat Titasattavorakul	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
10. Mr. Narong Chearavanont	- Good Governance: A Key Success to Sustainability - Anti-Corruption
11. Mr. Umroong Sanphasitvong	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption
12. Mrs. Saowaluck Thithapant	- Personal Data Protection Act, B.E. 2562 (2019) - Good Governance: A Key Success to Sustainability - Anti-Corruption

7. Compliance Unit

The Company has established a compliance unit, namely “Legal and Compliance Department”, having the Director of Legal and Compliance Department serve as the supervisor, overseeing all corporate governance related activities to be in line with the established policies as well as corporate vision and mission.

8. Internal Audit Department

The Company has established an internal audit unit, with Ms. Busakorn Rakkanka, who has sufficient education and work experience, as the Head of Internal Audit Department, reporting directly to the Audit Committee. The Audit Committee considers the qualification and the suitability of, and has authority to appoint, remove or transfer, the Head of Internal Audit Department.

9. The Board of Directors’ opinion related to Internal Control of the Company and Subsidiaries

The Company recognises the importance of the internal control system and risk management as mechanisms that enhance operational efficiency and effectiveness to achieve its goals. Moreover, internal control processes aim to provide reasonable assurance concerning operations, reporting and compliance with statutory requirements and corporate policies. Internal control policies foster the accuracy, transparency and auditability of the Company’s operations including reducing and preventing potential risks. Furthermore, the Company constantly develops its internal control system to ensure continuous efficiency and effectiveness.

The Board of Directors appointed an Audit Committee, which consists of three Independent Directors who are qualified and experienced in various fields, and are independent as stipulated by the Stock Exchange of Thailand’s requirements. The Audit Committee is responsible for reviewing financial reports, the disclosure of the Company’s information, and the Company’s connected transactions or conflict of interest to ensure its reasonableness and best interests of the Company. The Audit Committee also reviews the adequacy and appropriateness of the risk management process, internal control system, and internal audit plan; considers material issues related to internal control; and provides recommendations for any required improvements to the management. The Audit Committee considers the appointment or termination of the external auditors and expresses their opinion to the Board of Directors. The Audit Committee

also reviews the Company’s compliance with the law of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)’s rules and regulations, and any other laws applicable to the Company’s businesses.

The Audit Committee assigns the Internal Audit Department, as an independent unit from the Company’s management, to evaluate the internal control system and review the operations of each department within the Company and its subsidiaries to ensure that each department complied with internal control policies and procedures. The Internal Audit Department has duly evaluated the adequacy and appropriateness of the internal control system under the five key aspects of the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as highlighted below:

1. Control Environment

The Board performs its duties independently from the management and oversees overall business operations. The Company has established Corporate Governance Policy and Code of Conduct in compliance with good corporate governance principles and published the Corporate Governance and Code of Conduct Manual, which prohibits the management and the employees from any misconduct which may constitute conflicts of interest. The Manual has been communicated to the management, staff, contractors, the Company’s representatives to acknowledge and strictly comply as guidelines in performing their respected duties. Disciplinary actions will be imposed in case of violations. The Manual is continuously reviewed and modified to be consistent with the Company’s business. The management outlines the organisational structure that aligns with the business plan and properly adjusts the structure to serve the business needs. The lines of command with separate duties and appropriate responsibilities are established to ensure that the management and employees’ performances are efficient and can be clearly monitored, audited and assessed. The Internal Audit Department is responsible for auditing and reviewing the performance; and promoting a good internal control environment. In addition, the Company recognises the importance of continuous human resource development and provides trainings to enhance knowledge and skills required for the assigned tasks. The Company determines short-term and long-term manpower planning, conducts manpower analysis on an annual basis in response to the business direction, and identifies succession plans to ensure business continuity.

2. Risk Assessment

The Company recognises the importance of enterprise risk management system. A Risk Management Committee is responsible for formulating a systematic risk assessment framework including risk management policies. Every business unit shall assess various risk factors, the likelihood of each occurrence and its impact from internal and external perspectives, and it must have mitigating measures to manage risks to an acceptable level. The Risk Management Committee shall report to the Audit Committee at least once a year. The Company has established a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) to prepare for risks and potential crises and ensure that the Company's key operations will continue to operate without any disruption. Furthermore, the Company continually revises its short-term and long-term corporate strategies to reflect the ever-changing business environment in the best interests of the Company and its sustainability. The Internal Audit Department regularly reviews the adequacy and appropriateness of the internal control system by carrying out audit planning on key operational processes.

3. Control Activities

The Company implements transparent and appropriate internal control activities, applies key performance indicators (KPIs) as tools for planning and control, establishes policies and guidelines including the Anti-corruption Policy, the Conflicts of Interest Declaration, and the Corporate Governance and Code of Conduct Manual for employees and business partners. The Company sets out policies and operating procedures for appropriate internal control with a segregation of duties and clearly defined functional responsibilities and delegation of authority such as different levels of signing power and categories of expenditure for management. Standard operation procedures are in writing and regularly reviewed. In addition, the IT system categorises the roles on the level of control and access to information, identifies access rights and database management that can be retrieved for verification. The Company has set clear guidelines on the connected transactions for transparency and best interests of the Company, and the Internal Audit Department regularly reviews the adequacy and the appropriateness of the internal control system, which is aligned with the audit plan covering key operational processes. In addition, the Company has consistently monitored the operations of its subsidiaries to ensure their operations are aligned with the Company's business policies.

4. Information and Communication

Information and communication plays an important role in the Company. Information technology has been deployed in order to manage information and analyse data to support management's decision making process. The Company has fully supported employees to develop innovations; in order to increase work efficiency, decrease costs and expenses, and use digital technology such as Robotic Process Automation (RPA) in certain business process. Furthermore, the Company is fully aware and has developed a cyber-security system with installation of hardware and software to counter such threats and protect its assets and properties. The Company has communicated to every staff member information relating to policies, regulations and announcements, and examples of threats from the use of information through many internal communication channels, e.g. intra-net, stores' notice board, Company's emails and VDO Conference (Broadcast) to ensure that every staff member is fully, correctly and timely informed.

Furthermore, the Company has put in place complaint-making and whistle-blowing communication channels. These cover offenses or suspicious behavior that may imply fraud or corruption or misconduct of any person in the organisation. Communication can be made through the Company's website or e-mail: cgooffice@siammakro.co.th. The Company also has other appropriate and efficient communication channels for external stakeholders to access the Company's information at all time, such as Call Center (0 2335 5300) for customers' inquiries or complaints about products and services of the Company, and Investor Relations Department for shareholders and investors. This will facilitate the stakeholders' understanding about the Company's business, as well as disclose information to SET. At same time, the Company has clear policies to control unauthorised access and to prevent inappropriate use of the Company's information in compliance with the Computer-related Crime Act.

5. Monitoring

The Company has monitoring and evaluation processes designed to assess the adequacy of its internal control system. Internal Audit Department as an independent Department from management directly reports to Audit Committee. The Internal Audit Department continually encourage to develop work compliance with international standards. It undergoes quality assessment by leading third-party assessors once every five years to ensure that the Company's internal audit followed international standards and good practices. Internal Audit Department has duly evaluated the effectiveness of internal control activities in accordance with professional standards for internal auditing and risk-based audit. Audit plan was annually designed in accordance with the Company's strategies and key risks that would impact on operations and the Company's objectives. The Internal Audit Department makes recommendations to management for any required improvement to the business process to increase the efficiency and effectiveness of the internal control and reports to the Audit Committee on a quarterly basis. Moreover, the Company has policy and communication channel to directly report to Audit Committees in the event that any acts of fraud or corruptions are found within the Company. The Company also reports the improvement progress of significant issues.

In 2020, the Audit Committee is of the same opinion with the external auditor that there is no significant issue on internal control. The Company has appropriate internal control system aligning with the business. Furthermore, all business units have complied with the stipulated processes and working procedures.

Related Party Transactions

Details on Related Party Transactions
In 2019 and 2020, the Company and its subsidiaries conducted transactions with related parties, which are summarized as follows:

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
CP ALL Plc. ("CP ALL") Nature of Relationship ⁽¹⁾ CP ALL, a major shareholder of the Company, holds direct and indirect shares of the Company amounting to 93.08% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	12.8	14.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	2.9	1.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Service Expenses The Company disbursed CP ALL for the use of software licenses and trademarks	169.7	175.6	The use of software licenses and trademarks from CP ALL is regarded as technical assistance for the Company's core business operation. The software is used for recording sales transactions, goods receiving, stock movement and customer information system of the Company's stores. The said software can be used for recording information of new stores and for consolidation of information of all stores. The costs of software are cheaper than local system development. In addition, the Company was granted, by CP ALL, the right to use trademarks and servicemarks including the use of trademarks such as "Makro", "aro" etc.
	4. Other Accounts Payable The Company was granted, by CP ALL, the right to use trademarks and service marks including the use of trademarks such as "Makro", "aro" etc.	89.6	96.6	goods receiving, stock movement and customer information system of the Company's stores. The said software can be used for recording information of new stores and for consolidation of information of all stores. The costs of software are cheaper than local system development. In addition, the Company was granted, by CP ALL, the right to use trademarks and servicemarks including the use of trademarks such as "Makro", "aro" etc. in operating the businesses including the store layout, product display, and the business management. Whenever there is any development of new store format of "Makro" in other country, the Company will obtain knowledge and technique of the business operation resulting in efficiency in the business operation. The rights to use software license, trademark and service mark are considered as transactions/supporting transactions related to the normal course of business ⁽⁵⁾
	5. Other Account Receivable	-	0.2	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
CPRAM Co., Ltd. ("CPRAM") Nature of Relationship ⁽¹⁾ Subsidiary of CP ALL, CP ALL holds shares of CPRAM amounting to 99.99% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	10.2	12.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	-	0.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	277.3	293.2	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	69.5	69.2	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Gosoft (Thailand) Co., Ltd. ("Gosoft") Nature of Relationship ⁽¹⁾ Subsidiary of CP ALL, CP ALL holds shares of Gosoft amounting to 99.99% of total issued and paid-up shares.	1. Fixed Assets and Intangible Assets Expenses The Company and its subsidiaries purchased fixed assets and intangible assets, namely computer equipment and software, from Gosoft	19.9	109.9	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Service Expenses	61.7	121.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Other Accounts Payable	22.3	52.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Other Accounts Receivable	8.5	3.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Panyapiwat Institute of Management Nature of Relationship ⁽¹⁾ Subsidiary of CP ALL, CP ALL holds shares of Panyapiwat Institute of Management amounting to 99.99% of total issued and paid-up shares	1. Revenue from Sales of Goods and Services	-	1.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	-	0.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Service Expenses	-	1.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Other Accounts Payable	-	1.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
C.P. Retailing Co., Ltd. (“Retailing”) Nature of Relationship ⁽¹⁾ Subsidiary of CP ALL, CP ALL holds shares of Retailing amounting to 99.99% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	44.3	59.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	-	1.2	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	1.2	1.4	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	-	0.4	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	5. Fixed Assets and Intangible Assets Expenses	-	0.2	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	6. Other Accounts Payable	-	0.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	7. Other Account Receivable	-	1.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Charoen Pokphand Foods Plc. (“Charoen Pokphand Foods”) Nature of Relationship ⁽²⁾ Charoen Pokphand Group is a major shareholder and holds direct and indirect shares of Charoen Pokphand Foods amounting to 53.88% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	39.2	43.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	5.4	5.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	349.7	354.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	23.7	24.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
CPF Trading Co., Ltd. (“CPF Trading”) Nature of Relationship ⁽²⁾ Subsidiary of Charoen Pokphand Food, Charoen Pokphand Food holds shares of CPF Trading amounting to 99.97% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	27.9	41.4	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	2.3	3.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	4,405.4	12,607.9	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	1,536.5	1,695.6	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	5. Service Expenses	14.1	56.4	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	6. Other Accounts Payable	6.6	12.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
CPF (Thailand) Plc. (“CPF (Thailand)”) Nature of Relationship ⁽²⁾ Subsidiary of Charoen Pokphand Food, Charoen Pokphand Food holds shares of CPF (Thailand) amounting to 99.98% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	191.7	218.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	25.5	28.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	6,581.3	14.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	4.2	4.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
CP-Meiji Co., Ltd. (“CP-Meiji”) Nature of Relationship ⁽²⁾ CP-Meiji is a joint venture with Charoen Pokphand Food, Charoen Pokphand Food holds shares of CP - Meiji amounting to 59.99% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	6.3	6.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	-	0.6	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	421.3	479.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	69.5	77.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
C.P. Food Store Co., Ltd. ("C.P. Food Store")	1. Revenue from Sales of Goods and Services	35.9	39.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽²⁾ Chearavanont family is a major shareholder of C.P. Food Store.	2. Purchase of Goods	514.0	550.4	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Trade Accounts Payable	109.8	95.9	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Pokphand Enterprise Co., Ltd. ("Pokphand Enterprise")	1. Service Expenses	6.6	11.9	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽⁴⁾ Chearavanont family is a major shareholder of Pokphand Enterprise.	2. Other Accounts Receivable	5.9	-	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
C.P. Consumer Product Co., Ltd. ("C.P. Consumer Product")	1. Revenue from Sales of Goods and Services	16.7	18.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽²⁾ Charoen Pokphand Group is a major shareholder of C.P. Consumer Product.	2. Purchase of Goods	138.9	141.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Trade Accounts Payable	24.9	34.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Perfect Companion Group Co., Ltd. ("Perfect Companion Group")	1. Revenue from Sales of Goods and Services	22.6	25.9	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	1.0	1.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	302.6	304.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	52.4	52.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
Freewill Solutions Co., Ltd. ("Freewill Solutions")	1. Fixed Assets and Intangible Assets Expenses The Company and its subsidiaries purchased intangible assets, namely computer software, from Freewill Solutions.	16.2	10.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽²⁾ Charoen Pokphand Group is a major shareholder of Freewill Solutions.	2. Service Expenses	14.8	13.2	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Other Accounts Payable	4.1	2.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
True Internet Corporation Co., Ltd. ("True Internet Corporation")	1. Service Expenses	50.6	74.6	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽³⁾ True Internet Corporation is a subsidiary of True Corporation Plc. which Charoen Pokphand Group is a major shareholder.	2. Other Accounts Payable	9.4	18.6	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
True Distribution & Sales Co. Ltd. ("True Distribution & Sales")	1. Revenue from Sales of Goods and Services	6.9	7.6	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Service Expenses	-	1.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Other Account Receivable	-	0.4	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽³⁾ True Distribution & Sales is a subsidiary of True Corporation Plc. which Charoen Pokphand Group is a major shareholder.				
True Leasing Co. Ltd. ("True Leasing")	1. Service Expenses	58.2	59.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
Nature of Relationship ⁽⁴⁾ Major of shares held by the CP Group and Mr. Dhanin Chearavanont's son and have one common Director, i.e. Mr. Umroong Sanphasitvong.	2. Other Accounts Payable	9.8	24.1	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		2019	2020	
Other related parties in CP ALL's Group	1. Revenue from Sales of Goods and Services	186.4	259.3	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	2. Trade Accounts Receivable	30.1	21.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	3. Purchase of Goods	553.3	990.6	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	4. Trade Accounts Payable	41.5	113.7	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	5. Fixed Assets and Intangible Assets Expenses	1.6	-	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	6. Service Expenses	108.1	144.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	7. Other Accounts Payable	51.3	95.8	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾
	8. Other Accounts Receivable	7.2	1.5	Transactions / supporting transactions related to the normal course of business ⁽⁵⁾

Remark: (1) Information from CP ALL Public Company Limited's form 56 -1 year 2020
(2) Information from Charoen Pokphand Foods Public Company Limited's form 56-1 year 2020
(3) Information from True Corporation Public Company Limited's form 56-1 year 2020
(4) Notes for the Company's financial statements, fiscal year ended 31 December 2020
(5) Necessity and reasons for transactions and supporting transactions related to the normal course of business
1. Revenue from sales of goods and services, Trade accounts receivable and Other accounts receivable
The price and condition for sales of goods and services were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.
2. Purchase of goods, Trade accounts payable and Other accounts payable
The price and condition for purchase of goods were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.
3. Service expenses
The price and condition for service expenses were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.
4. Fixed assets and other intangible assets expenses
The price and condition for the purchase of fixed assets and other intangible assets were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.

Procedures for Approving Related Party Transactions and Policies for Future Transactions

Related party transactions should occur only when required as part of the normal course of doing business and purely for the benefit of the Company as a whole. The use of software licenses and trademarks are considered necessary for the Company's normal business operations. Such related party transactions are approved by the Board of Directors in accordance with the Company's Article of Association, before they are undertaken.

In case of the entering into the connected transactions relating to the transactions with the general commercial terms, the Company's Board of Directors has approved in principle that the Company and its subsidiaries will be approved to enter into related party transactions with a Company Director, an Executive or any other related party only if such transactions consist of the same commercial considerations and terms as well as shall be undertaken under similar circumstances as those which an ordinary non-related counterparty would agree to and on the basis of normal commercial negotiation without any associated or special considerations being given because of the status of the Director, Executive or any other related party. Details of such internal regulations are as follows:

1. Purchase of Goods

In the event that the Company and its subsidiaries purchase goods from related companies through having the same or shared Director(s) and/or the same group of shareholders, such transactions shall be fully in accordance with normal business conditions as well as in line with normal market prices applicable at the time, and shall be treated in the same manner as any other transactions undertaken with any other unrelated parties.

2. Use of Service

The Company and its subsidiaries receive service from related companies through having the same or shared Director(s) and/or the same group of shareholders, such transactions shall be fully in accordance with normal business conditions as well as in line with normal market prices applicable at the time, and shall be treated in the same manner as any other transactions undertaken with any other unrelated parties.

3. Sale of Goods and Service

In the event that the Company and its subsidiaries agree to sell any goods to its Directors and/or Executives, including selling any goods and service to related companies through having the same or shared Director(s) and/or the same group of shareholders, such transactions shall be treated and made under normal business conditions as well as in line with normal market prices applicable at the time and in the exact same manner as those similarly undertaken with any other unrelated parties.

In the case of transactions for the purchase and sale of goods and services and purchase of fixed assets and intangible assets under the ordinary course of business, the Company has procedures to protect investors and prevent the transfer of interests. The Internal Audit Department reviews the necessity of inter-company transactions and ensures that the prices of the transactions for goods and services and purchase of fixed assets and intangible assets are at the prevailing market rates. The Internal Audit Department provides reports of related transactions to the Audit Committee every quarter.

Additionally, the use of services including the usage of software licenses and trademarks shall be documented and specified in relevant agreements, which shall also be undertaken on a fair and reasonable basis.

Regarding the policies for future related party transactions, the Company and its subsidiaries have a policy for future related party transactions that all related party transactions will only be undertaken when required by normal business operations. Further, the terms and conditions of all such related party transactions will be treated in the exact same manner as any other transactions undertaken with third-parties. Nevertheless, any related party transaction must be approved or ratified by the Board of Directors. The entering into the connected transactions relating to the transactions with the general commercial terms is possible only if such transactions consist of the same commercial considerations and terms as well as shall be undertaken under similar circumstances as those which an ordinary non-related counterparty would agree to and on the basis of normal commercial negotiation without any associated or special considerations being given because of the status of the Director, Executive or any other related party as aforementioned. The Company and its subsidiaries can enter into such transactions if the Company's Board of Directors has approved in principle, nevertheless the necessity of such transactions have to correspond to the growth of the Company's normal business operations. Additionally, the Company will comply with the Securities and Exchange Commission's policies, the Stock Exchange of Thailand's policies, as well as the Company's aforementioned policies.

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of Siam Makro Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with generally accepted accounting standards in Thailand, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and establishes as well as maintains a proactive risk management system and internal control system to ensure that accounting records are accurate and complete, and that the Company's assets are properly safeguarded against fraud and materially irregular operations. The Board has appointed an Audit Committee consisting of independent directors to provide efficient oversight of the establishment of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in this annual report.

The Board is of the view that the internal control system and the internal audit of the Company are adequate and appropriate and provide reason assurance that the Company's financial statements represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai financial reporting standards.



Mr. Suphachai Chearavanont
Chairman of the Board of Directors



Mrs. Suchada Ithijarukul
Group Chief Executive Officer - Siam Makro

Independent Auditor's Report

To the Shareholders of Siam Makro Public Company Limited

Opinion

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

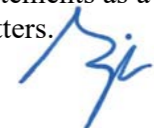
In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with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

Basis for Opinion

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

Key Audit Matters

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



Valuation of inventories	
Refer to notes 4 (f) and 8 to the financial statements	
The key audit matter	How the matter was addressed in the audit
The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management’s judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories.	<p>My audit procedures are as follows:</p> <ul style="list-style-type: none">• Understood the inventory control and management policy and the estimation of net realisable value of inventories.• Tested a sample of the aging of inventory and the reasonableness of assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories determined by management and compared that percentage with information for destruction and shrinkage inventories.• Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value.• Considered the adequacy of the Group’s disclosures in accordance with Thai Financial Reporting Standards.

Impairment of goodwill and other intangible assets	
Refer to note 4 (j), 4 (m), 5, 14 and 15 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition.</p> <p>The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions.</p> <p>The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. This area was focused on my audit accordingly.</p>	<p>My audit procedures are as follows:</p> <ul style="list-style-type: none">• Understood the process of the estimated recoverable amount to assess the impairment.• Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions.• Considered the adequate of the Group's disclosures in accordance with Thai Financial Reporting Standards.

First time adoption of TFRS 16 Leases	
Refer to Notes 3 (b), 4 (k), 12, 16 and 20 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has entered into various leases as lease primarily on respect of land lease agreements for stores construction which the first time adoption of TFRS 16 Leases required the Group to identify all contracts that contain a lease. Management had to consider their contractual terms relating to lease period, renewal options, non-lease components etc. including determining discount rate. The Group elected to use the modified retrospective transition approach as at 1 January 2020 recognising the right-of-use assets and lease liabilities at that date and adjusting the cumulative effect of the adoption of TFRS 16 in retained earnings.</p> <p>As at 31 December 2020, the Group and the Company recognised right-of-use assets amounting to Baht 10,204 million and Baht 8,592 million and lease liabilities amounting to Baht 8,117 million and Baht 6,310 million in consolidated and separate statement of financial position respectively.</p> <p>As adoption of TFRS 16 involved judgment and had the material impact to the Group’s financial statements, I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the Group’s policy, data collection process, and process for, and controls over, identification of all leases and the determination of their contractual terms.• Tested the controls over the identification of all lease contracts and determination of their contractual terms.• Obtained the Group’s quantification of right-of-use assets and the lease liabilities. For a sample of leases, I corroborated the values recognised with the data collected and assessed the appropriateness of the determination of the lease terms and the calculation of the right-of-use assets and lease liabilities.• Tested the reconciliation to the Group’s operating lease commitments as reported in the prior year financial statements, and verified the key service contracts to assess whether they contained a lease under TFRS 16.• Assessed the methodology, and significant assumptions adopted by management in determining discount rate.• Tested the calculation of the adjustment on first time adoption of TFRS 16.• Considered the adequacy of the Group’s disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

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

(Sujitra Masena)
Certified Public Accountant
Registration No. 8645

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2021

Siam Makro Public Company Limited
and its Subsidiaries

Financial statements
for the year ended

31 December 2020

Siam Makro Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	7, 27	10,483,774,485	4,800,158,217	8,793,809,646	3,596,291,751
Current investments		34,568,950	42,764,275	-	-
Trade accounts receivable	6, 27	944,795,083	1,078,234,681	336,985,320	215,238,942
Other current receivables	6	482,725,901	591,837,439	189,951,675	312,009,424
Short-term loan to subsidiary	6, 27	-	-	33,775,700	-
Inventories	6, 8	14,477,505,762	14,774,350,106	13,251,096,028	13,317,418,096
Purchase discount receivables		1,188,115,256	1,260,954,127	1,181,449,539	1,256,052,162
Accrued income		631,692,727	651,560,659	602,391,827	608,147,041
Current portion of leasehold rights	13	-	119,247,352	-	117,223,526
Other current assets		7,853,995	14,043,764	-	-
Total current assets		28,251,032,159	23,333,150,620	24,389,459,735	19,422,380,942
Non-current assets					
Investments in subsidiaries	9	-	-	8,104,029,580	7,329,029,830
Other non-current receivables		13,265,915	416,800,520	-	402,683,155
Property, plant and equipment	6, 11	30,564,324,560	31,579,016,922	28,756,810,649	30,021,721,099
Right-of-use assets	12	10,204,159,161	-	8,591,920,123	-
Investment properties		112,498,502	112,498,502	112,498,502	112,498,502
Leasehold rights	13	-	2,244,794,375	-	2,210,308,984
Goodwill	14	2,190,598,824	2,190,598,824	-	-
Other intangible assets					
other than goodwill	6, 15	2,200,651,034	2,277,397,850	1,427,118,694	1,526,905,462
Deferred tax assets	24	453,031,114	440,648,657	426,722,384	416,054,703
Other non-current assets		44,593,603	46,425,815	15,185,948	16,865,150
Total non-current assets		45,783,122,713	39,308,181,465	47,434,285,880	42,036,066,885
Total assets		74,034,154,872	62,641,332,085	71,823,745,615	61,458,447,827

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Short-term borrowings from financial institutions	16, 27	1,050,248,649	826,783,629	299,778,622	-
Trade accounts payable to other parties	27	25,804,463,749	24,493,406,926	24,886,084,877	23,673,752,394
Trade accounts payable to related parties	6, 27	2,169,529,840	1,931,966,814	2,214,891,817	1,981,378,465
Other current payables to other parties	27	1,672,314,694	1,736,052,065	1,574,472,097	1,621,095,084
Other current payables to related parties	6, 27	303,976,865	193,147,454	290,952,201	183,575,137
Short-term borrowings from other parties	16, 27	6,007,420	14,473,920	-	-
Short-term borrowing from subsidiary	6, 16, 27	-	-	-	160,000,000
Corporate income tax payable		927,351,890	844,830,583	919,054,742	819,821,037
Accrued expenses		2,837,756,211	2,377,758,971	2,631,506,678	2,154,716,679
Current portion of long-term borrowings from financial institutions	16, 27	5,001,208,817	1,377,792	5,000,000,000	-
Current portion of lease liabilities (2019: Current portion of finance lease liabilities)	6, 16, 27	495,480,926	92,346,896	481,006,366	91,733,910
Other current liabilities		286,391,156	237,130,228	278,259,478	218,615,043
Total current liabilities		40,554,730,217	32,749,275,278	38,576,006,878	30,904,687,749
Non-current liabilities					
Long-term borrowings from financial institutions	16, 27	2,001,620,488	7,002,807,172	2,000,000,000	7,000,000,000
Other non-current payables		4,316,802	597,187,555	4,316,802	417,573,176
Lease liabilities (2019: Finance lease liabilities)	6, 16, 27	7,621,593,843	549,429,782	5,829,190,481	549,429,782
Provisions for employee benefits	17	1,032,366,477	898,276,365	993,661,888	853,764,594
Deferred tax liabilities	24	80,330,977	81,863,211	-	-
Other non-current liabilities		28,677,749	28,118,577	28,563,617	28,025,119
Total non-current liabilities		10,768,906,336	9,157,682,662	8,855,732,788	8,848,792,671
Total liabilities		51,323,636,553	41,906,957,940	47,431,739,666	39,753,480,420

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
(Continued)					
Equity					
Share capital					
Authorised share capital (4,800 million ordinary shares, par value at Baht 0.50 per share)		2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
Issued and paid-up share capital (4,800 million ordinary shares, par value at Baht 0.50 per share)		2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
Additional paid-in capital					
Premium on ordinary shares	18	3,290,152,068	3,290,152,068	3,290,152,068	3,290,152,068
Deficit from changes in ownership interests in subsidiary		(19,980,479)	-	-	-
Retained earnings					
Appropriated					
Legal reserve	18	240,000,000	240,000,000	240,000,000	240,000,000
Unappropriated		16,511,320,419	14,569,745,807	18,461,853,881	15,774,815,339
Other components of equity		(182,348,922)	(256,855,454)	-	-
Equity attributable to equity holders of the Company		22,239,143,086	20,243,042,421	24,392,005,949	21,704,967,407
Non-controlling interests	10	471,375,233	491,331,724	-	-
Total equity		22,710,518,319	20,734,374,145	24,392,005,949	21,704,967,407
Total liabilities and equity		74,034,154,872	62,641,332,085	71,823,745,615	61,458,447,827

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Revenues	6				
Revenue from sale of goods		214,139,667,370	206,179,866,280	203,635,142,987	196,238,426,314
Revenue from rendering of services		3,757,472,016	3,591,973,604	3,778,751,453	3,613,025,926
Other income		863,049,119	855,202,360	770,561,678	854,946,807
Total revenues	19	218,760,188,505	210,627,042,244	208,184,456,118	200,706,399,047
Expenses	6				
Cost of sale of goods	8	192,015,763,584	185,012,151,619	183,030,880,298	176,793,010,216
Distribution costs		12,757,810,871	12,669,065,409	11,831,637,773	11,588,225,290
Administrative expenses		5,030,110,687	4,741,333,562	3,722,088,882	3,311,982,068
Total expenses	22	209,803,685,142	202,422,550,590	198,584,606,953	191,693,217,574
Profit from operating activities		8,956,503,363	8,204,491,654	9,599,849,165	9,013,181,473
Finance costs	23	619,498,015	309,962,526	448,484,848	295,262,116
Profit before income tax expense		8,337,005,348	7,894,529,128	9,151,364,317	8,717,919,357
Income tax expense	24	1,812,840,394	1,709,988,531	1,806,193,833	1,677,779,392
Profit for the year		6,524,164,954	6,184,540,597	7,345,170,484	7,040,139,965
Profit (loss) attributable to:					
Equity holders of the Company		6,562,667,422	6,244,592,108	7,345,170,484	7,040,139,965
Non-controlling interests	10	(38,502,468)	(60,051,511)	-	-
Profit for the year		6,524,164,954	6,184,540,597	7,345,170,484	7,040,139,965
Basic earnings per share					
of equity holders					
of the Company	25	1.37	1.30	1.53	1.47

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Profit for the year		6,524,164,954	6,184,540,597	7,345,170,484	7,040,139,965
Other comprehensive income					
<i>Item that will be reclassified</i>					
<i>subsequently to profit or loss</i>					
Exchange differences on translating					
financial statements		73,383,107	(78,169,560)	-	-
		73,383,107	(78,169,560)	-	-
<i>Items that will not be reclassified</i>					
<i>subsequently to profit or loss</i>					
Losses on remeasurements of defined					
benefit plans	17	(53,998,062)	(85,591,425)	(62,664,927)	(82,900,180)
Income tax income relating to					
components of other comprehensive					
income on losses on remeasurements					
of defined benefit plans	24	10,799,612	17,118,285	12,532,985	16,580,036
		(43,198,450)	(68,473,140)	(50,131,942)	(66,320,144)
Other comprehensive income					
for the year, net of income tax		30,184,657	(146,642,700)	(50,131,942)	(66,320,144)
Total comprehensive income					
for the year		6,554,349,611	6,037,897,897	7,295,038,542	6,973,819,821
Total comprehensive income (loss)					
attributable to:					
Equity holders of the Company		6,593,975,504	6,122,002,378	7,295,038,542	6,973,819,821
Non-controlling interests	10	(39,625,893)	(84,104,481)	-	-
Total comprehensive income					
for the year		6,554,349,611	6,037,897,897	7,295,038,542	6,973,819,821

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

Consolidated financial statements										
	Note	Retained earnings				Other components of equity				
		Issued and paid-up share capital	Premium on ordinary shares	Deficit from changes in ownership interests in subsidiary	Legal reserve	Unappropriated reserve	Exchange differences on translating financial statements	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
(in Baht)										
For the year ended 31 December 2020										
Balance as at 31 December 2019										
- as previously reported										
Impact of changes in accounting policies										
Balance as at 1 January 2020										
Transactions with equity holders, recorded directly in equity										
Distributions to equity holders										
Dividends										
Total distributions to equity holders										
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests										
Changes in ownership interests in subsidiary without a change in control										
Total changes in ownership interests in subsidiaries										
Total transactions with equity holders, recorded directly in equity										
Comprehensive income for the year										
Profit or loss										
Other comprehensive income										
Total comprehensive income for the year										
Balance as at 31 December 2020										

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

Consolidated financial statements										
	Note	Retained earnings			Other components of equity			Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated reserve	Exchange differences on translating financial statements				
(in Baht)										
For the year ended 31 December 2019										
Balance as at 1 January 2019		2,400,000,000	3,290,152,068	240,000,000	13,001,626,839	(202,738,864)	18,729,040,043	527,586,205	19,256,626,248	
Transactions with equity holders, recorded directly in equity										
Distributions to equity holders										
Dividends	26	-	-	-	(4,608,000,000)	-	(4,608,000,000)	-	(4,608,000,000)	
Total distributions to equity holders		-	-	-	(4,608,000,000)	-	(4,608,000,000)	-	(4,608,000,000)	
Changes in ownership interests in subsidiary										
Acquisition of non-controlling interests		-	-	-	-	-	-	47,850,000	47,850,000	
Total changes in ownership interests in subsidiary		-	-	-	-	-	-	47,850,000	47,850,000	
Total transactions with equity holders, recorded directly in equity		-	-	-	(4,608,000,000)	-	(4,608,000,000)	47,850,000	(4,560,150,000)	
Comprehensive income for the year										
Profit or loss		-	-	-	6,244,592,108	-	6,244,592,108	(60,051,511)	6,184,540,597	
Other comprehensive income		-	-	-	(68,473,140)	(54,116,590)	(122,589,730)	(24,052,970)	(146,642,700)	
Total comprehensive income for the year		-	-	-	6,176,118,968	(54,116,590)	6,122,002,378	(84,104,481)	6,037,897,897	
Balance as at 31 December 2019		2,400,000,000	3,290,152,068	240,000,000	14,569,745,807	(256,855,454)	20,243,042,421	491,331,724	20,734,374,145	

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

	Separate financial statements				
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Legal reserve	Unappropriated	Total equity
			(in Baht)		
For the year ended 31 December 2020					
Balance as at 1 January 2020	2,400,000,000	3,290,152,068	240,000,000	15,774,815,339	21,704,967,407
Transactions with equity holders, recorded directly in equity					
Dividends	-	-	-	(4,608,000,000)	(4,608,000,000)
Total transactions with equity holders, recorded directly in equity	-	-	-	(4,608,000,000)	(4,608,000,000)
Comprehensive income for the year					
Profit	-	-	-	7,345,170,484	7,345,170,484
Other comprehensive income	-	-	-	(50,131,942)	(50,131,942)
Total comprehensive income for the year	-	-	-	7,295,038,542	7,295,038,542
Balance as at 31 December 2020	2,400,000,000	3,290,152,068	240,000,000	18,461,853,881	24,392,005,949

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from operating activities					
Profit for the year		6,524,164,954	6,184,540,597	7,345,170,484	7,040,139,965
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation of property, plant and equipment	11	2,268,746,759	2,315,208,936	2,069,139,217	2,153,060,674
Depreciation of right-of-use assets	12	946,164,188	-	826,364,752	-
Amortisation of leasehold rights	13	-	118,299,821	-	116,322,010
Amortisation of other intangible assets other than goodwill	15	362,216,464	289,612,359	305,754,702	254,345,632
Dividend income	6, 9	-	-	-	(60,158,677)
Interest income	19	(37,593,656)	(19,162,631)	(23,419,501)	(7,937,785)
Finance costs	23	619,498,015	309,962,526	448,484,848	295,262,116
Income tax expense	24	1,812,840,394	1,709,988,531	1,806,193,833	1,677,779,392
Unrealised (gain) loss on exchange		(49,791)	(617,902)	6,674,064	(819,029)
Allowance (reversal of allowance) for losses on decline in value of inventories	8	39,878,668	(21,934,176)	22,016,560	(16,832,561)
Allowance for impairment losses recognised in profit or loss	11, 15, 27	44,863,461	3,805,000	3,542,206	3,805,000
Allowance for doubtful accounts		-	22,147,518	-	3,124,266
Loss on disposal and write-off of property, plant and equipment		7,285,163	3,451,416	1,556,651	5,335,387
Gain on write-off of right-of-use assets		(5,148,034)	-	(38,353)	-
Loss on disposal and write-off of other intangible assets other than goodwill		753,706	49,521	-	-
Provisions for employee benefits	17	94,651,897	184,247,207	88,211,992	169,228,702
Other		2,354,000	900,000	2,354,000	900,000
		12,680,626,188	11,100,498,723	12,902,005,455	11,633,555,092

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of cash flows (Continued)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2020	2019	2020	2019
		(in Baht)			
Changes in operating assets and liabilities					
Trade accounts receivable		94,383,039	(94,082,194)	(125,023,742)	(59,254,008)
Other current receivables		(14,800,016)	(9,194,277)	730,769	(10,939,415)
Inventories		258,367,627	(435,269,705)	44,305,507	(628,785,989)
Purchase discount receivables		72,848,570	(166,740,697)	74,602,624	(165,430,719)
Accrued income		16,777,276	19,030,634	5,827,855	27,260,377
Other current assets		6,529,671	7,772,902	-	-
Other non-current receivables		(23,647)	(185,354,758)	-	(183,647,406)
Other non-current assets		1,280,835	4,022,196	1,679,202	263,831
Trade accounts payable to other parties		1,313,155,925	981,332,741	1,212,503,949	824,364,208
Trade accounts payable to related parties		237,196,261	330,031,112	233,513,352	335,466,462
Other current payables to other parties		25,207,277	199,675,285	2,485,931	237,474,307
Other current payables to related parties		105,112,318	49,219,408	102,655,794	37,494,298
Accrued expenses		461,333,002	127,139,534	477,913,287	221,762,174
Other current liabilities		40,921,011	28,683,599	52,637,405	30,754,950
Other non-current payables		(2,799,984)	251,375,788	(2,799,984)	96,453,932
Provisions for employee benefits paid	17	(14,296,352)	(17,891,956)	(10,979,625)	(17,846,956)
Other non-current liabilities		560,162	(607,979)	538,498	(607,979)
Net cash generated from operating		15,282,379,163	12,189,640,356	14,972,596,277	12,378,337,159
Interest received		40,030,079	18,329,761	23,346,861	8,469,272
Interest paid		(235,787,808)	(255,717,402)	(224,215,391)	(241,948,452)
Income tax paid		(1,733,590,584)	(1,682,371,277)	(1,705,094,824)	(1,640,152,464)
Net cash from operating activities		13,353,030,850	10,269,881,438	13,066,632,923	10,504,705,515

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of cash flows (Continued)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2020	2019	2020	2019
		(in Baht)			
Cash flows from investing activities					
Dividend received	9	-	-	-	60,158,677
Cash outflow on current investments		-	(44,817,684)	-	-
Cash inflow on current investments		7,120,428	-	-	-
Acquisition of property, plant and equipment		(1,831,116,766)	(2,576,765,245)	(1,394,404,474)	(2,076,052,304)
Proceeds from sale of property, plant and equipment		18,675,463	25,013,483	18,419,654	19,928,103
Acquisition of right-of-use assets		(190,728,327)	-	(188,839,017)	-
Acquisition of leasehold rights		-	(119,841,164)	-	(105,247,617)
Acquisition of other intangible assets other than goodwill		(291,838,399)	(413,604,503)	(200,466,565)	(339,592,123)
Cash outflow on short-term loan to subsidiary	6	-	-	(35,968,200)	(14,692,200)
Cash inflow on short-term loan to subsidiary	6	-	-	-	14,692,200
Cash outflow on investment in subsidiary	9	-	-	(774,999,750)	(620,019,816)
Net cash used in investing activities		(2,287,887,601)	(3,130,015,113)	(2,576,258,352)	(3,060,825,080)
Cash flows from financing activities					
Payment of lease liabilities (2019: Payment by lessees for reduction of the outstanding liabilities relating to finance leases)	16	(1,007,488,344)	(124,355,917)	(824,126,947)	(122,273,794)
Increase (decrease) in short-term borrowings from financial institutions	16	220,362,806	(2,735,105,998)	299,270,271	(2,650,000,000)
Proceeds from long-term borrowings from financial institutions	16	496,902	3,068,331	-	-
Repayment of long-term borrowings from financial institutions	16	(1,766,048)	(698,978)	-	-
Proceeds from short-term borrowings from other parties	16	-	14,902,848	-	-
Repayment of short-term borrowings from other parties	16	(8,762,236)	-	-	-
Proceed from short-term borrowings from subsidiary	6	-	-	150,000,000	1,650,000,000
Repayment of short-term borrowings from subsidiary	6	-	-	(310,000,000)	(2,090,000,000)
Dividends paid to equity holders of the Company	26	(4,608,000,000)	(4,608,000,000)	(4,608,000,000)	(4,608,000,000)
Acquisition of non-controlling interests		5,222,820	47,850,000	-	-
Payment of changes in ownership interests in subsidiary without a change in control		(12,661,600)	-	-	-
Net cash used in financing activities		(5,412,595,700)	(7,402,339,714)	(5,292,856,676)	(7,820,273,794)

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

Siam Makro Public Company Limited and its Subsidiaries
Statement of cash flows (Continued)

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Net increase (decrease) in cash and cash equivalents, before exchange differences on translating financial statements					
		5,652,547,549	(262,473,389)	5,197,517,895	(376,393,359)
Exchange differences on translating financial statements					
		31,068,719	(32,979,900)	-	-
Net increase (decrease) in cash and cash equivalents					
		5,683,616,268	(295,453,289)	5,197,517,895	(376,393,359)
Cash and cash equivalents as at 1 January					
		4,800,158,217	5,095,611,506	3,596,291,751	3,972,685,110
Cash and cash equivalents as at 31 December					
	7	10,483,774,485	4,800,158,217	8,793,809,646	3,596,291,751
Supplemental disclosures of cash flows information:					
Property, plant and equipment purchased during the year are detailed as follows:					
Increases during the year					
	11	1,770,452,823	2,441,468,545	1,344,515,455	1,927,931,571
Add (less) - changes in payables					
		60,663,943	149,761,789	49,889,019	162,585,822
- financial lease liabilities					
	16	-	(14,465,089)	-	(14,465,089)
Paid by cash					
		1,831,116,766	2,576,765,245	1,394,404,474	2,076,052,304
Other intangible assets other than goodwill purchased during the year are detailed as follows:					
Increases during the year					
	15	280,863,990	271,592,238	205,967,935	162,885,268
Add (less) - changes in payables					
		10,974,409	142,012,265	(5,501,370)	176,706,855
Paid by cash					
		291,838,399	413,604,503	200,466,565	339,592,123
Leasehold rights purchased during the year are detailed as follows:					
Increases during the year					
	13	-	123,683,256	-	105,247,617
Less - changes in payables					
		-	(3,842,092)	-	-
Paid by cash					
		-	119,841,164	-	105,247,617

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

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

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

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2021.

1 General information

Siam Makro Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1468, Phatthanakan Road, Phatthanakan, Suan Luang, Bangkok 10250, Thailand.

The Company was listed on the Stock Exchange of Thailand on 11 August 1994.

The parent company during the financial year was CP All Public Company Limited which incorporated in Thailand.

The principal business of the Company is the operation of Cash and Carry Trade Centres throughout Thailand, under the name “Makro”, selling food and non-food products to registered members, predominantly small and medium size businesses, retailers, caterers, professional sectors and institutions.

As at 31 December 2020 the Company operated 130 Makro stores (2019: 127 Makro stores) and 7 frozen shops (2019: 7 frozen shops).

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 9 to the financial statements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

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

In addition, the Group has not early adopted a number of revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Siam Makro Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b) Functional and presentation currency

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

(c) Use of judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgments

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

Note 4(k) and 20	Leases: <ul style="list-style-type: none">- whether an arrangement contains a lease;- whether the Group is reasonably certain to exercise extension options;- whether the Group exercise termination options;- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees and sub-lessees; and
Note 5	Impact of COVID-19 pandemic

(ii) Assumptions and estimation uncertainties

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

Note 4(k)	Determining the incremental borrowing rate to measure lease liabilities;
Note 5	Impact of COVID-19 pandemic;
Note 14 and 15	Impairment test: key assumptions underlying recoverable amounts;
Note 17	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 27	Measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average lossrate

Siam Makro Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments and TFRS 16. Impact of changes in accounting policies on shareholders’ equity are as follows:

Impact on changes in accounting policy	Note	Consolidated financial statements	
		Retained earnings - unappropriated	Non-controlling interests
		(in million Baht)	
As at 31 December 2019			
- as previously reported		14,570	491
Increase due to:			
Adoption of TFRS - Financial instruments			
Classification and measurement of financial instruments	A(1)	-	-
Impairment losses on financial assets	A(2)	-	-
Adoption of TFRS 16	B	30	14
As at 1 January 2020		14,600	505

A. TFRS - Financial instruments

The Group has adopted TFRS - Financial instruments by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains 3 principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

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

Siam Makro Public Company Limited and its Subsidiaries
Notes to the financial statements

For the year ended 31 December 2020

Previously, TFRS were silent on the requirements of derivatives held for risk management purposes. In 2019, the Group accounted for these transactions as described in accounting policies in note 4(c.5).

The Group assessed that there was no material impact from the application of TFRS 9's classification and measurement of financial assets and financial liabilities requirement at 1 January 2020.

(2) Impairment - Financial assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

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

B. TFRS 16

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group has elected not to separate non-lease components and account for the transaction as a single lease component. As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and lease liabilities for leases of low-value assets; and
- apply a single discount rate to a portfolio of leases with similar characteristics

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>As at 1 January 2020</i>		
Decrease in other current receivables	(121)	(121)
Decrease in current portion of leasehold rights	(119)	(117)
Decrease in other non-current receivables	(403)	(403)
Decrease in property, plant and equipment	(521)	(520)
Increase in right-of-use assets	10,193	8,485
Decrease in leasehold rights	(2,245)	(2,210)

Siam Makro Public Company Limited and its Subsidiaries
Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16 (Continued)</i>		
	<i>(in million Baht)</i>	
Decrease in other current payables to other parties	(16)	-
Increase in lease liabilities	7,988	6,165
Decrease in current portion of finance lease liabilities	(92)	(92)
Decrease in other non-current payables	(591)	(410)
Decrease in finance lease liabilities	(549)	(549)
Increase in retained earnings	30	-
Increase in non-controlling interests	14	-
<i>Measurement of lease liabilities</i>		
	<i>(in million Baht)</i>	
Operating leases commitment as disclosed as at 31 December 2019	14,020	6,937
Recognition exemption for short-term leases	(2)	-
Lease is considered as service contract	(55)	(55)
Impact from commitment record on straight line basis	607	410
	14,570	7,292
Present value of remaining lease payments, discounted using the incremental borrowing rate as at 1 January 2020	7,353	5,524
Finance lease liabilities recognised as at 31 December 2019	641	641
Exchange differences on translating financial statements	(6)	-
Lease liabilities recognised as at 1 January 2020	7,988	6,165
Weighted-average incremental borrowing rate (% per annum)	6.54	3.54

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3 to the financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Business combinations

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

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

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

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

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

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

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

Subsidiaries

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

Non-controlling interests

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

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

Loss of control

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

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

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Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

Foreign entities

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

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

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

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

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

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

(c) Financial instruments

Accounting policies applicable from 1 January 2020

(c.1) Recognition and initial measurement

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

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

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(c.2) Classification and subsequent measurement

Financial assets - classification

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

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

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

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

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

Financial assets - business model assessment

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

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

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

For the purposes of this assessment, ‘Principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

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

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

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

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

(c.3) Derecognition

Financial assets

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

Financial liabilities

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

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

(c.4) Offsetting

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

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(c.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Derivatives

Derivatives are used to manage exposure to foreign exchange arising from operational activities. Derivatives are not used for trading purposes. The Group entering into forward exchange contracts to hedge certain exposure to hedge of future foreign currency transactions.

Gains and losses on forward exchange contracts are recognised in profit or loss in the same period as the exchange differences on the items covered by the hedge.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, cash at financial institutions and highly liquid short-term investments with maturity period not over 3 months from the acquisition date.

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

Costs of inventories are calculated using the weighted average cost principle and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, less purchase discounts as specified in the contractual agreements.

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

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

(g) Investments in subsidiaries

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

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Disposal of investments

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

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

(h) Investment properties

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

Investment properties are measured at cost less accumulated impairment losses.

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

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

(i) Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

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Depreciation

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

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

Buildings, building improvements and right-of-use assets improvements (2019: leasehold improvements)	3 to 50 years
Machinery and equipment	3 to 10 years
Furniture, fixtures and office equipment	2 to 10 years
Vehicles	5 years

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

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

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

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

Other intangible assets that are acquired by the Group and have indefinite useful lives i.e. trademark, etc. are measured at cost less accumulated impairment losses and not amortised.

Subsequent expenditure

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

Amortisation

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

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

Computer software	2 to 10 years
Trademark and other	10 years and indefinite useful lives
Customer relationship	15 years

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

(k) Leases

Accounting policies applicable from 1 January 2020

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

As a lessee

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

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

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

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

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

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

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As a lessor

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

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

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

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

Accounting policies applicable before 1 January 2020

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

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

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

Determining whether an arrangement contains a lease

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

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

(l) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost including cash and cash equivalents, trade receivables, other receivables, loans to others and related parties.

Measurement of ECLs

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

ECLs are measured on either of the following bases:

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security; or
- the financial asset is more than 365 days past due.

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

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 365 days past due.

Write-off

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

Accounting policies applicable before 1 January 2020

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

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

Reversal of impairment

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

(m) Impairment of non-financial assets

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

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

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Calculation of recoverable amount

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

Reversal of impairment

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

(n) Contract liabilities

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

(o) Employee benefits

Post-employment benefit - defined contribution plans

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

Post-employment benefit - defined benefit plans

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

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

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

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

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Other long-term employee benefits

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

Termination benefits

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

Short-term employee benefits

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

(p) Provisions

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

(q) Measurement of fair values

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

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

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

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

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

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

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

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

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

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

(r) Revenues

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

Sales of goods and services rendered

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

Customer loyalty programmes

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

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(s) Other income

Other operating income and interest income are recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date that the Group's right to receive payments is established.

(t) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

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

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

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

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

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(u) Income tax

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

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

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

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

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

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

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

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

(v) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the years attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(w) Related parties

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

(x) Segment reporting

Segment results that are reported to the CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, income tax expenses, goodwill and other assets.

5 Impact of COVID-19 pandemic

Due to the COVID-19 pandemic at the beginning of the year 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

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As at 31 December 2020, the situation of COVID-19 pandemic is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply temporary relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic on the impairment of assets. The Group elected to exclude information of the COVID-19 situation which may affect future financial forecasts, from the impairment testing factors of goodwill and other intangible assets with an indefinite useful life. The guidance expired on 31 December 2020.

6 Related parties

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

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited (“CPG”)	Thailand	Shareholder of the parent company
CP ALL Public Company Limited	Thailand	Parent company of the Group
CPRAM Co., Ltd.	Thailand	Subsidiary of the parent company
C.P. Retailink Co., Ltd.	Thailand	Subsidiary of the parent company
Gosoft (Thailand) Co., Ltd.	Thailand	Subsidiary of the parent company
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is a major shareholder
Ascend food Co., Ltd.	Thailand	Company under CPG Group
Charoen Pokphand Foods Public Company Limited	Thailand	Company under CPG Group
Chia Tai Produce Company Limited	Thailand	Company under CPG Group
CPF Food And Beverage Company Limited	Thailand	Company under CPG Group
CPF Restaurant And Food Chain Company Limited	Thailand	Company under CPG Group
CPF Trading Co., Ltd.	Thailand	Company under CPG Group
CPF (Thailand) Public Company Limited	Thailand	Company under CPG Group
CP-Meiji Co., Ltd.	Thailand	Company under CPG Group
C.P. Consumer Product Co., Ltd.	Thailand	Company under CPG Group
C.P. Land Public Company Limited	Thailand	Company under CPG Group
C.P. Facility Management Co., Ltd.	Thailand	Company under CPG Group
C.P. Merchandising Co., Ltd.	Thailand	Company under CPG Group
C.P. Packaging Industry Co., Ltd.	Thailand	Company under CPG Group
Dynamic Transport Company Limited	Thailand	Company under CPG Group
Egg Digital Co., Ltd.	Thailand	Company under CPG Group
Freewill Solutions Co., Ltd.	Thailand	Company under CPG Group
International Pet Food Company Limited	Thailand	Company under CPG Group
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group
Pantavanij Co., Ltd.	Thailand	Company under CPG Group
Pokphand enterprise Co., Ltd.	Thailand	Company under CPG Group
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group
Sendit (Thailand) Co., Ltd.	Thailand	Company under CPG Group
True e-Logistics Company Limited	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group

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Name of parties	Country of incorporation/ nationality	Nature of relationships
True Internet Data Center Co., Ltd.	Thailand	Company under CPG Group
True Leasing Co., Ltd.	Thailand	Company under CPG Group
C.P. Cambodia Co., Ltd	Cambodia	Company under CPG Group
C.P. Vietnam Corporation	Vietnam	Company under CPG Group
Charoen Pokphand Foods Canada Inc.	Canada	Company under CPG Group
Key management personnel	Thai/ Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

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

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in million Baht)</i>				
Parent company				
Revenue from sale of goods	9	9	9	9
Revenue from rendering of services and other income	6	4	6	4
Distribution costs and administrative expenses	176	170	171	167

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Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Subsidiaries				
Revenue from sale of goods	-	-	244	232
Revenue from rendering of services and other income	-	-	69	49
Dividend income	-	-	-	60
Purchases of goods and services	-	-	262	383
Interest expenses	-	-	-	4
Other related parties				
Revenue from sale of goods	581	445	513	368
Revenue from rendering of services and other income	152	142	147	141
Distribution costs and administrative expenses	427	314	412	301
Purchases of goods and services	15,737	13,545	15,635	13,374
Purchases of equipment	106	11	106	9
Purchases of other intangible assets other than goodwill	14	27	5	22
Interest expense	7	-	7	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	244	228	244	228
Severance pay for employees	7	8	7	8
Total key management benefit expenses	251	236	251	236

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

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Parent company	1	3	1	3
Subsidiaries	-	-	45	14
Other related parties	64	64	57	57
Total	65	67	103	74
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	65	67	103	74
Expected credit losses (2019: Bad and doubtful debts) for the year	-	-	-	-

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Other current receivables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Subsidiaries	-	-	57	31
Other related parties	8	22	6	20
Total	8	22	63	51
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	8	22	63	51
Expected credit losses (2019: Bad and doubtful debts) for the year	-	-	-	-

Short-term loan to subsidiary

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

	Separate financial statements	
	2020	2019
	(in million Baht)	
As at 1 January	-	-
Increase	36	15
Decrease	-	(15)
Unrealised loss on exchange	(2)	-
As at 31 December	34	-

As at 31 December 2020 the Company had a short-term loan to a subsidiary of U.S. Dollar 1.1 million or equivalent to approximately Baht 34 million (2019: nil). The interest rate was referenced to the borrowing interest rate that financial institutions charged to the Company plus related tax and management charges. The principal and interest payments are to be paid at call.

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Subsidiaries	-	-	52	60
Other related parties	2,170	1,932	2,163	1,921
Total	2,170	1,932	2,215	1,981

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Other current payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Parent company	97	89	86	85
Subsidiaries	-	-	-	1
Other related parties	207	104	205	98
Total	304	193	291	184

Short-term borrowings from subsidiary

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

	Separate financial statements	
	2020	2019
	<i>(in million Baht)</i>	
As at 1 January	160	600
Increase	150	1,650
Decrease	(310)	(2,090)
As at 31 December	-	160

As at 31 December 2019 the Company had short-term borrowings from a subsidiary of Baht 160 million. The interest rate was referenced to the deposit interest rate that the subsidiary received from financial institutions plus related tax and management charges. The loans principal were fully repaid in January 2020.

Lease liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Other related parties	261	-	260	-
Total	261	-	260	-

Capital commitments

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Property, plant and equipment	2	-	2	-
Computer software	2	9	2	9
Total	4	9	4	9

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Significant agreements with related parties

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

- The Company and the foreign subsidiaries have service agreements with CP ALL Public Company Limited, the parent company. Under the terms of these agreements, the Company and the subsidiaries obtain the right to use of trademarks under conditions stipulated in the agreements. In consideration thereof, the Company and the subsidiaries are committed to pay to the parent company fees calculated as a percentages of their sales as stipulated in the agreements. These agreements are effective for periods of 1 year to 4 years and will expire on various dates until December 2024.
- The Company has lease and service agreements with C.P. Retailink Co., Ltd., a related company. Under the terms of the agreements, the Company agrees to provide space for trading and related services to the related company. In consideration thereof, the related company agrees to pay monthly rental and services fees, and places guarantee deposits with the Company as stipulated in the agreement. The guarantee deposits will be refunded to the related company upon the termination of the lease. These agreements are effective for a period of 1 year and 3 years, and will expire on various dates until December 2022.
- The Company has a service agreement with C.P. Facility Management Co., Ltd., a related company. Under the terms of the agreement, the related company agrees to provide services in relation to manage the Company's head office spaces. In consideration thereof, the Company agrees to pay to the related company a monthly service fee as stipulated in the agreement. This agreement is effective for a period of 3 years and will expire in December 2021.
- The Company has a service agreement with True Internet Data Center Co., Ltd., a related company. Under the terms of the agreement, the related company agrees to provide services in relation to data center service and disaster recovery site to the Company. In consideration thereof, the Company agrees to pay to the related company a monthly service fee at the rate stipulated in the agreement. This agreement is effective for a period of 5 years and will expire in April 2021.
- The Company has a service agreement with Pantavanij Co., Ltd., a related company. Under the terms of the agreement, the related company agrees to provide services in relation to online purchasing system to the Company. In consideration thereof, the Company agrees to pay to the related company a fee calculated based on percentages of its purchase orders as stipulated in the buyer's receiving goods memorandum. This agreement is effective for a period of 1 year and is renewable for additional a period of 1 year each.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cash on hand	1,681	1,919	1,666	1,907
Cash at financial institutions	8,694	2,841	7,128	1,689
Highly liquid short-term investments	109	40	-	-
Total	10,484	4,800	8,794	3,596

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8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Finished goods	14,411	14,398	13,306	13,229
Work in process	8	10	-	-
Goods in transit	311	579	130	251
Total	14,730	14,987	13,436	13,480
Less allowance for losses on decline in value of inventories	(252)	(213)	(185)	(163)
Net	14,478	14,774	13,251	13,317

The cost of inventories, which is recognised as an expense and presented in the account “Cost of sale of goods” in the statements of income for the years ended 31 December 2020 and 2019, are detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Cost of sales	191,977	185,034	183,009	176,810
Allowance (reversal of allowance) for losses on decline in value of inventories	39	(22)	22	(17)
Total	192,016	185,012	183,031	176,793

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9 Investments in subsidiaries

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

Separate financial statements										
Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost		Dividend income	
			2020	2019	2020	2019	2020	2019	2020	2019
(in million Baht)										
Local direct subsidiaries										
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and providing freight, delivery rental and storage services	Thailand	99.99	99.99	3,183	3,183	3,408	3,408	-	60
Makro ROH Co., Ltd.	Providing technical and supporting services to the Group	Thailand	99.99	99.99	4,532	3,757	4,532	3,757	-	-
ProMart Co., Ltd.	Trading of non-food products	Thailand	99.99	99.99	3	3	3	3	-	-
Total							7,943	7,168	-	60

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Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost		Dividend income	
			2020	2019	2020	2019	2020	2019	2020	2019
			(%)		(in million U.S. Dollar)		(in million Baht)			
Foreign direct subsidiary										
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	100	100	5	5	161	161	-	-
Total							161	161	-	-
Grand total							8,104	7,329	-	60

Additional investments during the year

In December 2019 and January 2020 a local subsidiary, Makro ROH Co., Ltd. (“MROH”) called for additional paid-up share capital of Baht 150 million and Baht 100 million. The additional paid-up share capital were completed in January and February 2020 respectively.

Later on 31 January 2020 MROH’s Board of Directors approved to increase the authorised share capital of Baht 700 million (increase from Baht 4,007 million to Baht 4,707 million) and to call for paid-up share capital at 25% of Baht 175 million. In this regard, the Company has a 99.99% investment in the subsidiary’s paid-up share capital. The registration of the increased authorised share capital with the Ministry of Commerce was completed in March 2020.

Later in April and July 2020 the subsidiary called for additional paid-up share capital of Baht 140 million and Baht 35 million. The additional paid-up share capital was completed in May and July 2020 respectively.

And later in October 2020 the subsidiary called for additional paid-up share capital of Baht 140 million and Baht 35 million. The additional paid-up share capital was completed in October and November 2020 respectively, paid-up share capital totaling Baht 4,532 million.

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Details of the Company’s indirect subsidiaries as at 31 December 2020 and 2019 were as follows:

Name of party	Type of business	Country of operation	Ownership interests	
			2020	2019
(%)				
Foreign indirect subsidiaries				
ARO Commercial Company Limited	Wholesale and retail operator and related businesses	Republic of the Union of Myanmar	99.99	99.99
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	99.99	99.99
CP Wholesale India Private Limited	Wholesale and related business	India	99.99	99.99
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related businesses	The People’s Republic of China	99.99	99.99
Indoguna (Cambodia) Company Limited	Importing and trading of food related products	Cambodia	99.99	70
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	80	80
Indoguna Dubai L.L.C*	Importing and trading of food related products	United Arab Emirates	80	80
Indoguna Lordly Company Limited	Manufacturing, trading, importing and exporting of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	80	80
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	80	80
Makro (Cambodia) Company Limited	Wholesale and retail operator and related businesses	Cambodia	70	70
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related businesses	The People’s Republic of China	99.99	99.99
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C*	Restaurant and minimart	United Arab Emirates	80	80

* The Group interest is 80% after taking account of nominee holdings.

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Increase in investments during the year

- a) On 28 October 2019 a foreign subsidiary, Indoguna (Cambodia) Company Limited (“INDC”)’s Board of Directors approved to increase the registered capital of U.S. Dollar 1.5 million (increasing from U.S. Dollar 2 million to U.S. Dollar 3.5 million). However, INDC did not increase the registered capital as approved because minor shareholders aim to sell shares to a local subsidiary, Siam Food Services Limited (“SFS”).

Later on 8 May 2020, the Company’s Board of Directors approved SFS to invest by purchasing shares from minor shareholders at par value which has already assessed by independent financial advisor. The additional investment in INDC through purchasing 60,000 shares brought SFS’s total investment in INDC’s paid-up share capital to 100% and the Company’s total investment in INDC’s paid-up share capital to 99.99%. The purchase of shares was completed in July 2020.

And later on 25 November 2020, INDC’s Board of Directors and the shareholder approved to increase the registered capital of U.S. Dollar 0.5 million (increasing from U.S. Dollar 2 million to U.S. Dollar 2.5 million) superseded the previous resolution dated 28 October 2019 approving to increase in registered capital. The registration of the increase authorised share capital and the additional paid-up share capital were completed in December 2020.

- b) On 23 December 2019 a foreign subsidiary, ARO Commercial Company Limited (“MM”)’s Board of Directors approved to increase the authorised share capital of U.S. Dollar 8 million (increase from U.S. Dollar 18.8 million to U.S. Dollar 26.8 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in January 2020.

Later on 3 April 2020 MM’s Board of Directors approved to increase the authorised share capital of U.S. Dollar 4.5 million (increase from U.S. Dollar 26.8 million to U.S. Dollar 31.3 million). The registration of the increase of authorised and the additional paid-up share capital were completed in May 2020.

- c) On 23 December 2019 a foreign subsidiary, Makro (Guangzhou) Food Company Limited (“MGZ”)’s Board of Directors and shareholders approved to increase the authorised share capital of RMB 18 million (increase from RMB 75 million to RMB 93 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in January 2020.

Later on 27 July 2020 MGZ’s Board of Directors and shareholders approved to increase the authorised share capital of RMB 9 million (increase from RMB 93 million to RMB 102 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in August 2020.

And later on 22 October 2020 MGZ’s Board of Directors and shareholders approved to increase the authorised share capital of RMB 9 million (increase from RMB 102 million to RMB 111 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in November 2020.

- d) On 5 January 2020 a foreign subsidiary, MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C (“MAXZI”)’s shareholders approved to increase the authorised share capital of AED 4 million (increase from AED 4 million to AED 8 million). The registration of the increase authorised share capital were completed in January 2020.

Later in February 2020 the subsidiary called for additional paid-up share capital of AED 3 million, paid-up share capital totaling AED 7 million. The additional paid-up share capital was completed in April 2020.

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- e) On 31 January 2020 a foreign subsidiary, CP Wholesale India Private Limited (“CPWI”)’s Board of Directors approved to increase the authorised share capital of INR 50 million (increase from INR 550 million to INR 600 million) and called for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 300 million. The registration of the increase authorised and the additional paid-up share capital were completed in March 2020.

Later on 23 April 2020 CPWI’s Board of Directors approved to increase the authorised share capital of INR 30 million (increase from INR 600 million to INR 630 million) and called for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 300 million. The registration of the increase of authorised and the additional paid-up share capital were completed in May 2020.

Later on 15 September 2020 CPWI’s Board of Directors approved to increase the authorised share capital of INR 45 million (increase from INR 630 million to INR 675 million). The registration of the increase authorised share capital was completed in September 2020.

And later in October 2020 the subsidiary called for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 300 million. The additional paid-up share capital was completed in October 2020. Therefore, the total paid-up share capital amounted to INR 671 million with the share premium of INR 3,429 million.

Decrease in investment during the year

On 18 February 2020, the Company’s Board of Directors approved to liquidate a foreign subsidiary, ARO Company Limited (“ARO”), since ARO has not operated any business and there was an establishment of another subsidiary, namely MM, to operate the business activity in Republic of the Union of Myanmar. In this regard, it is no longer necessary to keep ARO as it will only incur costs in relation legal, tax and accounting record in the future. Currently, ARO is in process of liquidation.

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10 Non-controlling interests

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

	31 December 2020				
	Indoguna (Singapore) Pte Ltd	Makro (Cambodia) Company Limited	Other individually immaterial subsidiaries (in million Baht)	Intra-group eliminations	Total
Non-controlling interests percentage	20	30			
Current assets	578	563			
Non-current assets	496	1,465			
Current liabilities	(356)	(313)			
Non-current liabilities	(79)	(842)			
Net assets	639	873			
Carrying amount of non-controlling interests	128	262	85	(4)	471
Revenue	1,240	2,928			
Loss	(37)	(44)			
Other comprehensive income	(6)	5			
Total comprehensive income	(43)	(39)			
Loss allocated to non-controlling interests	(7)	(13)	(19)	-	(39)
Total comprehensive income allocated to non-controlling interests	(9)	(12)	(19)	-	(40)
Cash flows from operating activities	142	48			
Cash flows from investing activities	(21)	(8)			
Cash flows from financing activities	(3)	(49)			
Net increase (decrease) in cash and cash equivalents	118	(9)			

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	31 December 2019				
	Indoguna (Singapore) Pte Ltd	Makro (Cambodia) Company Limited	Other individually immaterial subsidiaries (in million Baht)	Intra-group eliminations	Total
Non-controlling interests percentage	20	30			
Current assets	601	535			
Non-current assets	482	823			
Current liabilities	(350)	(358)			
Non-current liabilities	(63)	(122)			
Net assets	670	878			
Carrying amount of non-controlling interests	134	263	98	(4)	491
Revenue	1,802	2,484			
Profit (loss)	49	(203)			
Other comprehensive income	(8)	(63)			
Total comprehensive income	41	(266)			
Profit (loss) allocated to non-controlling interests	10	(61)	(9)	-	(60)
Total comprehensive income allocated to non-controlling interests	8	(80)	(12)	-	(84)
Cash flows from operating activities	122	(99)			
Cash flows from investing activities	(7)	(141)			
Cash flows from financing activities	(82)	160			
Net increase (decrease) in cash and cash equivalents	33	(80)			

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11 Property, plant and equipment

Consolidated financial statements								
	Note	Land	Buildings, building improvements and right-of-use improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Vehicles	Assets under construction and installation	Total
Cost								
As at 1 January 2019		12,332	17,233	16,830	2,806	88	540	49,829
Additions		18	122	778	281	15	1,227	2,441
Transfers		-	771	565	37	-	(1,373)	-
Disposals and write-off		-	(18)	(358)	(114)	(33)	-	(523)
Exchange differences on translating financial statements		-	(37)	(33)	(7)	(3)	(18)	(98)
As at 31 December 2019								
- as previously reported		12,350	18,071	17,782	3,003	67	376	51,649
Transferred to right-of-use assets	3	-	-	(982)	(217)	(2)	-	(1,201)
As at 1 January 2020		12,350	18,071	16,800	2,786	65	376	50,448
Additions		-	313	718	247	19	473	1,770
Transfers		-	479	226	108	-	(813)	-
Disposals and write-off		-	(27)	(356)	(130)	(21)	-	(534)
Exchange differences on translating financial statements		-	(3)	(2)	(1)	-	34	28
As at 31 December 2020		12,350	18,833	17,386	3,010	63	70	51,712

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Consolidated financial statements (Continued)								
	Note	Land	Buildings, building improvements and right-of-use improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Vehicles	Assets under construction and installation	Total
Accumulated depreciation and accumulated impairment losses								
As at 1 January 2019		-	(5,809)	(10,421)	(1,989)	(57)	-	(18,276)
Depreciation charge for the year		-	(473)	(1,447)	(382)	(13)	-	(2,315)
Disposals and write-off		-	7	343	112	33	-	495
Reversal of allowance (additional allowance) for impairment losses		-	(1)	(1)	6	-	-	4
Exchange differences on translating financial statements		-	7	10	3	2	-	22
As at 31 December 2019								
- as previously reported		-	(6,269)	(11,516)	(2,250)	(35)	-	(20,070)
Transferred to right-of-use assets	3	-	-	499	180	1	-	680
As at 1 January 2020		-	(6,269)	(11,017)	(2,070)	(34)	-	(19,390)
Depreciation charge for the year		-	(502)	(1,405)	(351)	(11)	-	(2,269)
Disposals and write-off		-	21	338	129	20	-	508
Reversal of allowance (additional allowance) for impairment losses		-	(2)	1	1	-	-	-
Exchange differences on translating financial statements		-	(1)	2	1	1	-	3
As at 31 December 2020		-	(6,753)	(12,081)	(2,290)	(24)	-	(21,148)

Consolidated financial statements (Continued)

	Land	Buildings, building improvements and right-of-use improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Vehicles	Assets under construction and installation	Total
Net book value							
As at 1 January 2019	12,332	11,424	6,409	817	31	540	31,553
As at 31 December 2019	12,350	11,802	6,266	753	32	376	31,579
- as previously reported	12,350	11,802	5,783	716	31	376	31,058
As at 1 January 2020	12,350	12,080	5,305	720	39	70	30,564
As at 31 December 2020							

Separate financial statements

	Note	Land	Buildings, building improvements and right-of-use improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Vehicles	Assets under construction and installation	Total
Cost								
As at 1 January 2019		12,332	16,785	16,474	2,669	48	41	48,349
Additions		18	69	667	237	9	927	1,927
Transfers		-	499	366	19	-	(884)	-
Disposals and write-off		-	(14)	(351)	(110)	(13)	-	(488)
As at 31 December 2019		12,350	17,339	17,156	2,815	44	84	49,788
- as previously reported		-	-	(982)	(217)	-	-	(1,199)
Transferred to right-of-use assets	3							
As at 1 January 2020		12,350	17,339	16,174	2,598	44	84	48,589
Additions		-	51	624	191	18	461	1,345
Transfers		-	175	197	108	-	(480)	-
Disposals and write-off		-	(17)	(348)	(128)	(18)	-	(511)
As at 31 December 2020		12,350	17,548	16,647	2,769	44	65	49,423

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Separate financial statements (Continued)								
	Note	Land	Buildings, building improvements and right-of-use improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Vehicles	Assets under construction and installation	Total
<i>Accumulated depreciation and accumulated impairment losses</i>								
As at 1 January 2019		-	(5,745)	(10,362)	(1,940)	(34)	-	(18,081)
Depreciation charge for the year		-	(439)	(1,365)	(343)	(6)	-	(2,153)
Disposals and write-off		-	6	336	109	13	-	464
Reversal of allowance (addition allowance) for impairment losses		-	(1)	(1)	6	-	-	4
As at 31 December 2019		-	(6,179)	(11,392)	(2,168)	(27)	-	(19,766)
- as previously reported		-	-	499	180	-	-	679
Transferred to right-of-use assets	3	-	(6,179)	(10,893)	(1,988)	(27)	-	(19,087)
As at 1 January 2020		-	(454)	(1,305)	(303)	(7)	-	(2,069)
Depreciation charge for the year		-	12	333	127	18	-	490
Disposals and write-off		-	-	-	-	-	-	-
Reversal of allowance (addition allowance) for impairment losses		-	(2)	1	1	-	-	-
As at 31 December 2020		-	(6,623)	(11,864)	(2,163)	(16)	-	(20,666)
<i>Net book value</i>								
As at 1 January 2019		12,332	11,040	6,112	729	14	41	30,268
As at 31 December 2019		12,350	11,160	5,764	647	17	84	30,022
- as previously reported		12,350	11,160	5,281	610	17	84	29,502
As at 1 January 2020		12,350	10,925	4,783	606	28	65	28,757
As at 31 December 2020								

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The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2020 amounted to Baht 8,226 million (2019: Baht 7,173 million) in the consolidated financial statements and Baht 8,116 million (2019: Baht 7,099 million) in the separate financial statements respectively.

Security

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

12 Right-of-use assets

Consolidated financial statements						
	Note	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Total
<i>(in million Baht)</i>						
Cost						
As at 1 January 2020	3	7,887	2,282	1,425	227	11,931
Additions		304	102	460	22	988
Write-off		-	(33)	(14)	(11)	(67)
Exchange differences on translating financial statements		7	(11)	-	-	(4)
As at 31 December 2020		8,198	2,340	1,871	238	12,848
Accumulated depreciation						
As at 1 January 2020	3	(1,024)	(27)	(505)	(181)	(1,738)
Depreciation charge for the year		(352)	(323)	(188)	(21)	(946)
Write-off		-	8	11	10	38
Exchange differences on translating financial statements		-	2	-	-	2
As at 31 December 2020		(1,376)	(340)	(682)	(192)	(2,644)
Net book value						
As at 1 January 2020	3	6,863	2,255	920	46	10,193
As at 31 December 2020		6,822	2,000	1,189	46	10,204

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Separate financial statements						
	Note	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Total
<i>(in million Baht)</i>						
Cost						
As at 1 January 2020	3	7,056	1,417	1,407	217	10,181
Additions		304	59	457	18	935
Write-off		-	-	(13)	(10)	(30)
As at 31 December 2020		7,360	1,476	1,851	225	11,086
Accumulated depreciation						
As at 1 January 2020	3	(992)	(25)	(499)	(180)	(1,696)
Depreciation charge for the year		(334)	(239)	(182)	(19)	(826)
Write-off		-	-	11	10	28
As at 31 December 2020		(1,326)	(264)	(670)	(189)	(2,494)
Net book value						
As at 1 January 2020	3	6,064	1,392	908	37	8,485
As at 31 December 2020		6,034	1,212	1,181	36	8,592

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13 Leasehold rights

		Consolidated financial statements	Separate financial statements
	Note	(in million Baht)	
Cost			
As at 1 January 2019		3,190	3,166
Additions		124	105
Exchange differences on translating financial statements		(2)	-
As at 31 December 2019		3,312	3,271
- as previously reported			
Transferred to right-of-use assets	3	(3,312)	(3,271)
As at 1 January 2020		-	-
Accumulated amortisation			
As at 1 January 2019		(830)	(828)
Amortisation charge for the year		(118)	(116)
As at 31 December 2019		(948)	(944)
- as previously reported			
Transferred to right-of-use assets	3	948	944
As at 1 January 2020		-	-
Net book value			
As at 1 January 2019			
- Current portion		114	112
- Non-current portion		2,246	2,226
Total		2,360	2,338
As at 31 December 2019			
- as previously reported			
- Current portion		119	117
- Non-current portion		2,245	2,210
Total		2,364	2,327
As at 1 January 2020			
- Current portion		-	-
- Non-current portion		-	-
Total		-	-

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14 Goodwill

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	(in million Baht)			
<i>As at 31 December</i>				
Cost	2,191	2,191	-	-
Less impairment loss	-	-	-	-
Net book value	2,191	2,191	-	-

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

Impairment testing for carrying amount of goodwill and other intangible assets within indefinite useful lives

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the going concern of Indoguna Group of companies and the continuing use of assets.

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

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as cost of debt and cost of equity.

Terminal value growth rate

Terminal value growth rates were determined based on average consumer price index in the country of operation, inflation rates and growth rates of historical earnings before income tax, depreciation and amortisation ("EBITDA") of Indoguna Group of companies.

Budgeted EBITDA

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

Management has identified that a reasonably possible change in three key assumptions, discount rate, terminal value growth rate and estimate sale growth rate, which in 2020 if discount rate increases by 3% (2019: 2%) or terminal value growth rate decreases by 6% (2019: 4%) or estimate sale growth rate decreases by 6% (2019: 3%) could cause the recoverable amount to be equal to the carrying amount.

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

15 Other intangible assets other than goodwill

	Consolidated financial statements				
	Computer software	Trademarks and other	Customer relationship (in million Baht)	Computer software under development and other	Total
Cost					
As at 1 January 2019	2,304	459	59	289	3,111
Additions	98	-	-	173	271
Transfers	368	3	-	(371)	-
Exchange differences on translating financial statements	(9)	-	-	(1)	(10)
As at 31 December 2019 and 1 January 2020	2,761	462	59	90	3,372
Additions	117	4	-	160	281
Transfers	119	2	-	(121)	-
Exchange differences on translating financial statements	4	-	-	-	4
As at 31 December 2020	3,001	468	59	129	3,657

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	Consolidated financial statements (Continued)				
	Computer software	Trademarks and other	Customer relationship (in million Baht)	Computer software under development and other	Total
Accumulated amortisation and accumulated impairment losses					
As at 1 January 2019	(789)	(2)	(8)	-	(799)
Amortisation charge for the year	(284)	(2)	(4)	-	(290)
Additional allowance for impairment losses	(8)	-	-	-	(8)
Exchange differences on translating financial statements	2	-	-	-	2
As at 31 December 2019 and 1 January 2020	(1,079)	(4)	(12)	-	(1,095)
Amortisation charge for the year	(357)	(2)	(3)	-	(362)
Exchange differences on translating financial statements	1	-	-	-	1
As at 31 December 2020	(1,435)	(6)	(15)	-	(1,456)
Net book value					
As at 1 January 2019	1,515	457	51	289	2,312
As at 31 December 2019 and 1 January 2020	1,682	458	47	90	2,277
As at 31 December 2020	1,566	462	44	129	2,201

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	Computer software	Computer software under development (in million Baht)	Total
Cost			
As at 1 January 2019	2,134	238	2,372
Additions	69	94	163
Transfers	268	(268)	-
As at 31 December 2019 and 1 January 2020	2,471	64	2,535
Additions	66	140	206
Transfers	97	(97)	-
As at 31 December 2020	2,634	107	2,741
Accumulated amortisation and accumulated impairment losses			
As at 1 January 2019	(746)	-	(746)
Amortisation charge for the year	(254)	-	(254)
Additional allowance for impairment losses	(8)	-	(8)
As at 31 December 2019 and 1 January 2020	(1,008)	-	(1,008)
Amortisation charge for the year	(306)	-	(306)
As at 31 December 2020	(1,314)	-	(1,314)
Net book value			
As at 1 January 2019	1,388	238	1,626
As at 31 December 2019 and 1 January 2020	1,463	64	1,527
As at 31 December 2020	1,320	107	1,427

The gross amount of the Group's and the Company's fully amortised other intangible assets other than goodwill that were still in use as at 31 December 2020 amounted to Baht 393 million (2019: Baht 349 million) in the consolidated financial statements and Baht 360 million (2019: Baht 325 million) in the separate financial statements respectively.

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16 Interest-bearing liabilities

	Consolidated financial statements					
	2020		Total (in million Baht)	2019		Total
	Secured	Unsecured		Secured	Unsecured	
Short-term borrowings from financial institutions						
Promissory notes	-	-	-	-	171	171
Liabilities under trust receipts	-	526	526	-	607	607
Short-term borrowings	-	45	45	-	49	49
Bills of exchange	-	480	480	-	-	-
Short term borrowings from other parties	-	6	6	-	14	14
Long-term borrowings from financial institutions	3	7,000	7,003	4	7,000	7,004
Lease liabilities (2019: Finance lease liabilities)	-	8,117	8,117	-	641	641
Total interest-bearing liabilities	3	16,174	16,177	4	8,482	8,486
	Separate financial statements					
	2020		Total (in million Baht)	2019		Total
	Secured	Unsecured		Secured	Unsecured	
Short-term borrowings from financial institution						
Bills of exchange	-	300	300	-	-	-
Short term borrowing from subsidiary	-	-	-	-	160	160
Long-term borrowings from financial institutions	-	7,000	7,000	-	7,000	7,000
Lease liabilities (2019: Finance lease liabilities)	-	6,310	6,310	-	641	641
Total interest-bearing liabilities	-	13,610	13,610	-	7,801	7,801

Unutilised credit facilities

As at 31 December 2020 the Group and the Company had unutilised credit facilities totaling Baht 17,016 million (2019: Baht 13,627 million) in the consolidated financial statements and Baht 16,002 million (2019: Baht 12,696 million) in the separate financial statements respectively.

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Short-term borrowings from financial institutions

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
As at 1 January	827	3,583	-	2,650
Increases (decreases)	220	(2,735)	300	(2,650)
Other non-cash movement	3	(21)	-	-
As at 31 December	1,050	827	300	-

Short-term borrowings from other parties

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
As at 1 January	14	-	-	-
Increases (decreases)	(9)	15	-	-
Other non-cash movement	1	(1)	-	-
As at 31 December	6	14	-	-

Lease liabilities (2019: Finance lease liabilities)

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

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in million Baht)</i>			
As at 1 January		641	698	641	695
Impact of changes in accounting policies	3	7,347	-	5,524	-
Purchase of assets under lease liabilities (2019: finance leases)		797	14	746	14
Payment of lease liabilities (2019: Payment for reduction of the outstanding liabilities relating to finance leases)		(1,007)	(124)	(824)	(121)
Write-off		(34)	-	(2)	-
Finance costs under lease (2019: finance leases)	23	385	53	225	53
Exchange differences on financial statements		(12)	-	-	-
As at 31 December		8,117	641	6,310	641

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Long-term borrowings from financial institutions

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
As at 1 January	7,004	7,002	7,000	7,000
Increases	-	3	-	-
Decreases	(1)	(1)	-	-
As at 31 December	7,003	7,004	7,000	7,000

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

Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	Baht 3,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2021*
The second agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in September 2021
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022

In this regard, the Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio and the shareholdings of the parent company as stipulated in the agreements, etc.

* The Company repaid the first long-term borrowing agreement totaling Baht 3,000 million in January 2021.

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17 Provisions for employee benefits

Defined benefit plan

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

Pension fund benefit

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

Severance benefit

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

Additional benefit related to provident fund

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

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

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
As at 1 January	898	648	854	619
Included in profit or loss:				
Current service costs	80	73	74	63
Past service costs	-	90	-	87
Interest on obligation	15	21	14	20
	<u>95</u>	<u>184</u>	<u>88</u>	<u>170</u>

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Present value of the defined benefit obligations (Continued)	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Included in other comprehensive income:				
Actuarial loss				
- Changes in assumptions	26	76	34	69
- Experience adjustments	28	10	29	14
	<u>54</u>	<u>86</u>	<u>63</u>	<u>83</u>
Other:				
Benefits paid by the plan	(15)	(18)	(11)	(18)
Exchange differences on financial statements	-	(2)	-	-
	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
As at 31 December	1,032	898	994	854

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the revised Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.3 - 1.7	1.6 - 1.7	1.3	1.7
Future salary growth	4.0 - 5.0	4.0 - 7.0	4.0	4.0
Employee turnover	0.0 - 50.0	5.0 - 50.0	0.0 - 50.0	5.0 - 50.0

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

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

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Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	(in million Baht)			
As at 31 December 2020				
Discount rate (0.5% movement)	(37)	40	(36)	38
Future salary growth (0.5% movement)	31	(30)	30	(28)
Employee turnover (0.5% movement)	(31)	17	(29)	16
As at 31 December 2019				
Discount rate (0.5% movement)	(35)	37	(33)	35
Future salary growth (0.5% movement)	29	(28)	27	(26)
Employee turnover (0.5% movement)	(26)	13	(24)	12

18 Share premium and reserves

Share premium

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

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

The Company’s legal reserve as at 31 December 2020 and 2019 was equal to 10% of the registered authorised capital.

Other components of equity

Exchange differences on translating financial statements

The exchange differences on translating financial statements recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign entity to Thai Baht.

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19 Disaggregation of revenue and segment information

Revenue

The Group’s operations is derived from sale of goods from cash and carry business and food services business and rendering of services related to those businesses.

Segment information

Segment information is taken from internal reports of the Group which are reviewed by the Chief Operating Decision Maker (CODM). CODM is the Group Chief Executive Officer, who makes decisions about resource allocation and assesses the segment performance.

The CODM considers the following to be the Group’s reporting segments:

- Segment 1: Cash and carry
- Segment 2: Food services
- Segment 3: Other

The Group is managed and operates principally (more than 96%) in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

The CODM considers the monthly performance of each reporting segment based upon profit before income tax expense.

Disaggregation of revenue, timing of revenue recognition and results, based on segments, in the consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

Year ended 31 December	Consolidated financial statements					Total	
	Cash and carry		Food services		Other	2020	2019
	2020	2019	2020	2019	2020	2020	2019
(in million Baht)							
Type of revenues							
Revenue from sale of goods	209,926	200,372	4,214	5,808	-	214,140	206,180
Revenue from rendering of services	3,756	3,591	1	1	-	3,757	3,592
External revenues	213,682	203,963	4,215	5,809	-	217,897	209,772
Total income	214,484	204,786	4,276	5,841	-	218,760	210,627
Timing of revenue recognition							
At a point in time	209,926	200,372	4,214	5,808	-	214,140	206,180
Overtime	3,756	3,591	1	1	-	3,757	3,592
Total	213,682	203,963	4,215	5,809	-	217,897	209,772
Interest income	37	18	1	1	-	38	19
Depreciation and amortisation	(3,466)	(2,652)	(111)	(71)	-	(3,577)	(2,723)
Finance costs	(607)	(292)	(12)	(18)	-	(619)	(310)
Profit (loss) before income tax expense	8,666	7,763	(328)	139	(1)	8,337	7,895
Income tax expense	(1,806)	(1,678)	(7)	(31)	-	(1,813)	(1,710)
Profit (loss) for the year	6,860	6,085	(335)	108	(1)	6,524	6,185

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Year ended 31 December

Type of revenues

Revenue from sale of goods	203,635
Revenue from rendering of services	3,779
External revenues	207,414
Total income	208,184

Timing of revenue recognition

At a point in time	203,635
Overtime	3,779
Total	207,414

Interest income	23
Depreciation and amortisation	(3,201)
Finance costs	(448)
Profit before income tax expense	9,151
Income tax expense	(1,806)
Profit for the year	7,345

Separate financial statements

Cash and carry	
2020	2019
(in million Baht)	
203,635	196,238
3,779	3,613
207,414	199,851
208,184	200,706
203,635	196,238
3,779	3,613
207,414	199,851
23	8
(3,201)	(2,523)
(448)	(295)
9,151	8,718
(1,806)	(1,678)
7,345	7,040

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

	Cash and carry		Food services		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Property, plant and equipment	30,307	31,306	257	273	-	-	30,564	31,579
Goodwill	-	-	2,191	2,191	-	-	2,191	2,191
Other assets	38,124	25,633	3,132	3,212	23	26	41,279	28,871
Segment assets as at 31 December	68,431	56,939	5,580	5,676	23	26	74,034	62,641

(in million Baht)

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20 Leases

As a lessee

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

<i>For the year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
<i>Included in profit or loss</i>					
Sub-lease income		7	7	7	7
Depreciation of right-of-use assets	12	946	-	826	-
Interest on lease liabilities		385	-	225	-
Expenses relating to short-term leases		201	-	113	-
Expenses relating to leases of					
low-value assets		120	-	120	-
Rental expenses		-	904	-	582

In 2020, total cash outflow for leases presented in consolidated and separate statements of cash flows were Baht 1,328 million and Baht 1,057 million respectively.

As a lessor

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

<i>Future lease receivables under operating leases</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>As at 31 December 2020</i>		
1 st year	71	58
2 nd year	35	34
3 rd year	11	10
4 th year	5	5
Total	122	107
<i>Future minimum lease receivables under operating leases</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>As at 31 December 2019</i>		
Within 1 year	61	45
1 - 5 years	44	42
Total	105	87

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21 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Salaries, wages and bonus		6,503	6,098	5,692	5,239
Staff welfares		231	233	165	165
Contribution to provident fund		119	113	104	93
Contribution to social security fund		114	132	108	125
Defined benefit plans	17	95	184	88	169
Other		69	92	26	35
Total		7,131	6,852	6,183	5,826

The Company and its local subsidiaries have established a contributory registered provident fund to which the Company, subsidiaries and employees each contribute monthly at the rate of 3% of the employees' basic salaries. The Company's and the subsidiaries' contributions to the provident fund are recorded as expenses in the statement of income as incurred. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

22 Expenses by nature

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

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Changes in inventories of finished goods		(297)	413	(66)	646
Purchase of raw materials, finished goods and other related costs		192,313	184,599	183,097	176,147
Depreciation - property, plant and equipment	11	2,269	2,315	2,069	2,153
Depreciation - right-of-use assets	12	946	-	826	-
Amortisation - leasehold rights	13	-	118	-	116
Amortisation - other intangible assets other than goodwill	15	362	290	306	254
Employee benefit expenses	21	7,131	6,852	6,183	5,826
Utilities expenses		2,597	2,645	2,453	2,515
Advertising and sale promotion expenses		761	990	710	888
Computer expenses		573	513	499	440
Maintenance and repair expenses		332	308	315	291
Lease-related expenses (2019: Rental expenses)	20	321	904	233	582
Trademark fees		176	170	171	167
Other		2,320	2,306	1,789	1,668
Total cost of sale of goods, distribution costs and administrative expenses		209,804	202,423	198,585	191,693

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23 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Finance costs paid to:					
Related party	6	-	-	-	4
Related parties under lease agreement	6, 16	7	-	7	-
Financial institutions		234	257	223	238
Other parties under lease agreement (2019: finance leases agreement)	16	378	53	218	53
Total		619	310	448	295

24 Income tax
Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Current income tax				
Current year	1,859	1,801	1,846	1,760
Over provided in prior years	(43)	(31)	(42)	(30)
	1,816	1,770	1,804	1,730
Deferred income tax				
Movements in temporary differences	(3)	(60)	2	(52)
	(3)	(60)	2	(52)
Total	1,813	1,710	1,806	1,678

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before income tax	2020 Tax income	Net of income tax	Before income tax	2019 Tax income	Net of income tax
	(in million Baht)					
Losses on remeasurement of defined benefit plans	54	(11)	43	86	(17)	69
Total	54	(11)	43	86	(17)	69

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Separate financial statements

	Before income tax	2020 Tax income	Net of income tax (in million Baht)	Before income tax	2019 Tax income	Net of income tax
Losses on remeasurement of defined benefit plans	63	(13)	50	83	(17)	66
Total	63	(13)	50	83	(17)	66

Reconciliation of effective tax rate**Consolidated financial statements**

Applicable tax rate (%)	0%	20%	Other (in million Baht)	Total
2020				
Accounting profit (loss) before income tax expense	(27)	9,106	(742)	8,337
Income tax at the applicable tax rates	-	1,837	-	1,837
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	21	(2)	19
Over provided in prior years	-	(42)	(1)	(43)
Net	-	1,816	(3)	1,813
2019				
Accounting profit (loss) before income tax expense	(4)	8,541	(642)	7,895
Income tax at the applicable tax rates	-	1,768	11	1,779
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(36)	(2)	(38)
Over provided in prior years	-	(30)	(1)	(31)
Net	-	1,702	8	1,710

**Separate
financial statements**
 20% 20%
 2020 2019
 (in million Baht)

Accounting profit before income tax expense	9,151	8,718
Income tax at the applicable tax rate	1,830	1,744
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	18	(36)
Over provided in prior years	(42)	(30)
Net	1,806	1,678

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Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Deferred tax assets	453	441	427	416
Deferred tax liabilities	(80)	(82)	-	-

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

	Consolidated financial statements		
	(Charged)/ credited to		
	As at 1 January 2020	profit or loss	other comprehensive income
		(in million Baht)	
As at 31 December 2020			
Deferred tax assets (liabilities)			
Inventories	95	3	-
Property, plant and equipment	18	3	-
Right-of-use assets	(104)	(1,092)	-
Other intangible assets other than goodwill	(63)	1	-
Lease liabilities	121	1,141	-
Provisions for employee benefits	176	17	11
Other	116	(70)	-
Total	359	3	11

	Consolidated financial statements		
	(Charged)/ credited to		
	As at 1 January 2019	profit or loss	other comprehensive income
		(in million Baht)	
As at 31 December 2019			
Deferred tax assets (liabilities)			
Inventories	91	4	-
Property, plant and equipment	(101)	15	-
Other intangible assets other than goodwill	(65)	2	-
Finance lease liabilities	139	(18)	-
Provisions for employee benefits	128	31	17
Other	90	26	-
Total	282	60	17

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		Separate financial statements		
		(Charged)/ credited to		
	As at 1 January 2020	profit or loss	other comprehensive income	As at 31 December 2020
		(in million Baht)		
<i>Deferred tax assets (liabilities)</i>				
Inventories	92	3	-	95
Property, plant and equipment	36	3	-	39
Right-of-use assets	(104)	(1,092)	-	(1,196)
Lease liabilities	121	1,141	-	1,262
Provisions for employee benefits	171	15	13	199
Other	100	(72)	-	28
Total	416	(2)	13	427

		Separate financial statements		
		(Charged)/ credited to		
	As at 1 January 2019	profit or loss	other comprehensive income	As at 31 December 2019
		(in million Baht)		
<i>Deferred tax assets (liabilities)</i>				
Inventories	86	6	-	92
Property, plant and equipment	(79)	11	-	(68)
Finance lease liabilities	139	(18)	-	121
Provisions for employee benefits	124	30	17	171
Other	77	23	-	100
Total	347	52	17	416

25 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht /in million share)			
Profit attributable to equity holders of the Company for the year ended 31 December	6,563	6,245	7,345	7,040
Weighted average number of ordinary shares outstanding during the year	4,800	4,800	4,800	4,800
Basic earnings per share (in Baht)	1.37	1.30	1.53	1.47

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26 Dividends

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

	Approval date	Payment schedule	Dividend rate (Baht/Share)	Amount (in million Baht)
Year 2020				
Interim dividend	3 April 2020	22 April 2020	0.56	2,688
Interim dividend	10 August 2020	8 September 2020	0.40	1,920
Total				4,608
Year 2019				
Annual dividend	23 April 2019	22 May 2019	0.56	2,688
Interim dividend	8 August 2019	5 September 2019	0.40	1,920
Total				4,608

27 Financial instruments
(a) Carrying amounts and fair values

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

	Consolidated financial statements						
	Carrying amount			Fair value			
	Financial instruments measured at measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
	(in million Baht)						
31 December 2020							
Financial liabilities							
Long-term borrowings from financial institutions	-	7,003	7,003	-	7,094	-	7,094
Forward exchange contract	5	-	5	-	5	-	5

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	Carrying amount		Separate financial statements				
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Fair value			
				Level 1	Level 2	Level 3	Total
<i>(in million Baht)</i>							
31 December 2020							
<i>Financial liabilities</i>							
Long-term borrowings from financial institutions	-	7,000	7,000	-	7,091	-	7,091
Forward exchange contract	5	-	5	-	5	-	5

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments not measured at fair value

Type	Valuation technique
Other financial liabilities*	Discounted cash flows.

* Other financial liabilities include secured and unsecured long-term borrowings from financial institutions.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
31 December 2019					
<i>Financial assets and financial liabilities not measured at fair value</i>					
Long-term borrowings from financial institutions	7,004	-	7,132	-	7,132
Finance lease liabilities	641	-	757	-	757

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	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
31 December 2019					
<i>Financial assets and financial liabilities not measured at fair value</i>					
Long-term borrowings from					
financial institutions	7,000	-	7,128	-	7,128
Finance lease liabilities	641	-	756	-	756

Financial instruments not measured at fair value

Type	Valuation technique
Forward currency contracts	Discounted cash flows
Other financial liabilities*	Discounted cash flows

* Other financial liabilities include secured and unsecured long-term borrowings from financial institutions, and finance lease liabilities.

(b) Financial risk management policies

Risk management framework

The Group’s Board of directors has overall responsibility for the establishment of the Group’s risk management by established the risk management committee, which is responsible for presenting risk management framework in accordance with the COSO standard (*Committee of Sponsoring Organisation of The Treadway Commission*) to cover entire business activities and associate with the Group’s strategies, and also including assessing and monitoring the Group’s risk management which covers financial risk management. The risk management committee reports to the audit committee and the Board of directors on its activities every year.

The Group’s risk management policies are established to identify and analyse the risks assessed by the Group, to set up the standard risk level, to control and to monitor risk management in order to limit the risks to acceptable level. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group’s Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit who verify whether the Group’s risk management practices complied with risk management framework. Also, the risk management committee reports the risk management results to the audit committee every year.

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(b.1) Credit risk

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

(b.1.1) Trade accounts receivable

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

The Group has established credit sale strategies and policies, including the credit policy which analyses the customers financial position to determine credit limits for each customer and will be reviewed by annually.

The Group has established policies to limit its exposure to credit risk from trade accounts receivable by setting period for credit terms in order to be competitive in market in which the Group operates. The credit terms range from 7 days to 90 days.

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

	Consolidated financial statements		
	Trade accounts receivable - other parties	Trade accounts receivable - related parties (Note 6) (in million Baht)	Total carrying amounts
As at 31 December 2020			
Within credit terms	632	48	680
Overdue:			
Less than 3 months	253	15	268
3 - 6 months	4	1	5
6 - 12 months	35	1	36
Over 12 months	22	-	22
Total	946	65	1,011
Less allowance for expected credit loss	(66)	-	(66)
Net	880	65	945

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	Separate financial statements		
	Trade accounts receivable - other parties	Trade accounts receivable - related parties (Note 6) (in million Baht)	Total carrying amounts
As at 31 December 2020			
Within credit terms	164	72	236
Overdue:			
Less than 3 months	75	29	104
3 - 6 months	-	1	1
6 - 12 months	2	1	3
Total	241	103	344
Less allowance for expected credit loss	(7)	-	(7)
Net	234	103	337

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

Trade accounts receivable

	Note	Consolidate financial statements	Separate financial statements
		(in million Baht)	
As at 31 December 2019			
Related parties			
Within credit terms		42	50
Overdue:			
Less than 3 months		21	20
3 - 6 months		2	2
6 - 12 months		2	2
Total	6	67	74
Other parties			
Within credit terms		705	112
Overdue:			
Less than 3 months		298	32
3 - 6 months		5	-
6 - 12 months		16	-
Over 12 months		17	1
Total		1,041	145
Less allowance for doubtful accounts		(30)	(4)
Net		1,011	141
Grand total		1,078	215

The normal credit terms granted by the Group range from 7 days to 90 days.

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<i>Movement of allowance for expected credit loss of trade accounts receivable</i>	Consolidated financial statements (in million Baht)	Separate financial statements
As at 1 January 2020	30	4
Addition	45	3
Write-off	(8)	-
Exchange differences on translating financial statements	(1)	-
As at 31 December 2020	66	7

(b.1.2) Cash and cash equivalent and derivatives

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Group considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b.2) Liquidity risk

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

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

Consolidated financial statements						
As at 31 December 2020	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in million Baht)			
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	1,050	1,052	-	-	-	1,052
Trade accounts payable to other parties	25,804	25,804	-	-	-	25,804
Trade accounts payable to related parties	2,170	2,170	-	-	-	2,170
Other current payables to other parties	1,449	1,449	-	-	-	1,449
Other current payables to related parties	304	304	-	-	-	304
Short-term borrowings from other parties	6	6	-	-	-	6
Long-term borrowings from financial institutions	7,003	5,161	2,061	1	-	7,223
Lease liabilities	8,117	852	784	2,030	11,656	15,322
	45,903	36,798	2,845	2,031	11,656	53,330

Siam Makro Public Company Limited and its Subsidiaries
Notes to the financial statements

For the year ended 31 December 2020

Separate financial statements						
As at 31 December 2020	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in million Baht)			
Non-derivative financial liabilities						
Short-term borrowings from financial institution	300	300	-	-	-	300
Trade accounts payable to other parties	24,886	24,886	-	-	-	24,886
Trade accounts payable to related parties	2,215	2,215	-	-	-	2,215
Other current payables to other parties	1,370	1,370	-	-	-	1,370
Other current payables to related parties	291	291	-	-	-	291
Long-term borrowings from financial institutions	7,000	5,159	2,060	-	-	7,219
Lease liabilities	6,310	682	612	1,553	5,422	8,269
	42,372	34,903	2,672	1,553	5,422	44,550

The effective interest rates of financial assets as at 31 December 2019 and the periods in which the financial assets mature were as follows:

<i>2019</i>	Effective interest rate (%)	Consolidated financial statements				Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years		
Current						
Current investments	Fixed rate	43	-	-	-	43
Total		43	-	-	-	43

Siam Makro Public Company Limited and its Subsidiaries
Notes to the financial statements

For the year ended 31 December 2020

The effective interest rates of interest-bearing liabilities as at 31 December 2019 and the periods in which interest-bearing liabilities mature were as follows:

Consolidated financial statements					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2019					
Current					
Promissory notes	Market rate	171	-	-	171
Liabilities under trust receipts	Market rate	607	-	-	607
Short-term borrowings from financial institutions	Market rate	49	-	-	49
Short-term borrowings from other parties	Market rate	14	-	-	14
Current portion of long-term borrowings from financial institutions	Fixed rate	1	-	-	1
Current portion of finance leases liabilities	6.00 - 9.00	92	-	-	92
Total		934	-	-	934
Non-current					
Long-term borrowings from financial institutions	Fixed rate	-	7,003	-	7,003
Finance lease liabilities	6.00 - 9.00	-	332	217	549
Total		-	7,335	217	7,552
Separate financial statements					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2019					
Current					
Short-term borrowings from subsidiary	Market rate	160	-	-	160
Current portion of finance leases liabilities	6.00 - 9.00	92	-	-	92
Total		252	-	-	252
Non-current					
Long-term borrowings from financial institutions	Fixed rate	-	7,000	-	7,000
Finance lease liabilities	6.00 - 9.00	-	332	217	549
Total		-	7,332	217	7,549

Siam Makro Public Company Limited and its Subsidiaries
Notes to the financial statements

For the year ended 31 December 2020

(b.3) Market risk

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

(b.3.1) Foreign currency risk

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

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

Exposure to foreign currency as at 31 December 2020	Consolidated financial statements					
	U.S. Dollar	Euro	Australian Dollar	Pound Sterling	Yen Renminbi	Cambodia Riel Total
Cash and cash equivalents	17	-	-	-	-	19
Trade accounts receivable and other current receivables	9	2	8	-	-	19
Trade accounts payable and other current payables	(588)	(93)	(83)	(34)	(1)	(806)
Net statement of financial position exposure	(562)	(91)	(75)	(34)	(1)	(751)
Forward exchange purchase contracts	248	-	-	-	-	248
Net exposure	(314)	(91)	(75)	(34)	(1)	(503)

	Consolidated financial statements							Separate financial statements				
	U.S. Dollar	Australian Dollar	Euro	Pound Sterling	Baht	Yen (in million Baht)	Singapore Dollar	Swiss Franc	Yuan Renminbi	Cambodia Riel	Total	
Exposure to foreign currency as at 31 December 2019												
Cash and cash equivalents	226	1	-	-	-	-	-	-	-	128	355	
Trade accounts receivable and other current receivables	3	1	4	-	1	-	-	-	-	-	9	
Trade accounts payable and other current payables	(798)	(96)	(100)	(31)	(11)	(2)	(2)	(2)	(1)	-	(1,043)	
Net statement of financial position exposure	(569)	(94)	(96)	(31)	(10)	(2)	(2)	(2)	(1)	128	(679)	
Forward exchange purchase contracts	262	11	14	-	-	-	-	-	1	-	288	
Net exposure	(307)	(83)	(82)	(31)	(10)	(2)	(2)	(2)	-	128	(391)	
	Consolidated financial statements							Separate financial statements				
	U.S. Dollar	Australian Dollar	Euro	Yuan Renminbi	Singapore Dollar	Total (in million Baht)	U.S. Dollar	Australian Dollar	Euro	Yuan Renminbi	Total	
Exposure to foreign currency as at 31 December												
Trade accounts receivable and other current receivables	40	-	-	-	-	40	20	-	-	-	20	
Short-term loan to subsidiary	34	-	-	-	-	34	-	-	-	-	-	
Trade accounts payable and other current payables	(514)	(41)	(16)	(1)	(1)	(573)	(702)	(31)	(33)	(1)	(767)	
Net statement of financial position exposure	(440)	(41)	(16)	(1)	(1)	(499)	(682)	(31)	(33)	(1)	(747)	
Forward exchange purchase contracts	248	-	-	-	-	248	262	11	14	1	288	
Net exposure	(192)	(41)	(16)	(1)	(1)	(251)	(420)	(20)	(19)	-	(459)	

Siam Makro Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Sensitivity analysis

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

As at 31 December 2020	Movement (%)	Consolidated financial statements		Separate financial statements	
		Profit (loss)		Profit (loss)	
		Strengthening	Weakening	Strengthening	Weakening
		(in million Baht)			
U.S. Dollar	1%	(3)	3	(2)	2
Euro	2%	(2)	2	-	-

(b.3.2) Interest rate risk

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

Exposure to interest rate risk as at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Financial instruments with fixed interest rates				
Financial assets	8,838	2,924	7,162	1,689
Financial liabilities	(8,060)	(7,845)	(7,300)	(7,160)
	778	(4,921)	(138)	(5,471)
Interest rate swaps	-	-	-	-
	778	(4,921)	(138)	(5,471)

28 Capital management

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

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

29 Commitments with non-related parties

Capital commitments

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Property, plant and equipment	401	735	384	416
Computer software	74	134	52	64
Leasehold rights	-	60	-	60
Total	475	929	436	540

Letters of guarantee

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Letters of guarantee issued by financial institutions (mainly for guarantees of electricity, rental and service agreements and sale of goods)	303	268	281	243
Total	303	268	281	243

Other commitments

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Unused letters of credit for purchases of goods and supplies	9	1	6	1
Total	9	1	6	1

30 Event after the reporting period

At the Board of Directors’ meeting of the Company held on 19 February 2021, the Company’s Board of Directors approved to propose to the annual general shareholders’ meeting of the Company for approval to declare the final dividends from the profit attributable to equity holders of the Company for the year 2020 of Baht 0.60 per share for 4,800 million ordinary shares, totaling Baht 2,880 million. Such declaration of final dividend payment must be approved by the shareholders’ meeting.

Auditor’s Remuneration

1. Audit fees

The Company and its subsidiaries paid audit fees to the Audit Firm during the fiscal year 2020 as per the following details:

Company	Audit Firm	Audit Fee (Baht)
Siam Makro	KPMG Phoomchai Audit Limited	7,170,000
Siam Food Services	KPMG Phoomchai Audit Limited	1,420,000
Makro ROH	KPMG Phoomchai Audit Limited	230,000
Indoguna Vina Food Service	KPMG (Vietnam) Limited	439,400 ⁽²⁾
ProMart	KPMG Phoomchai Audit Limited	50,000
ARO ⁽¹⁾	Khin Su Htay & Associates Limited	19,343 ⁽³⁾
CP Wholesale India	KPMG India and KPMG Partnership Firm	1,353,280 ⁽⁴⁾
Makro (Cambodia)	KPMG Cambodia Ltd.	782,343 ⁽⁵⁾
Makro (Guangzhou) Food ⁽¹⁾	BDO China Shu Lun Pan Certified Public Accountants LLP	77,068 ⁽⁶⁾
Guangzhou Huadu Makro Food Supermarket ⁽¹⁾	BDO China Shu Lun Pan Certified Public Accountants LLP	51,376 ⁽⁷⁾
Indoguna (Singapore) ⁽¹⁾	Chong, Lim & Partners LLP	771,395 ⁽⁸⁾
Indoguna Dubai ⁽¹⁾	FRG Chartered Accountants	255,588 ⁽⁹⁾
Indoguna Lordly ⁽¹⁾	Linkers CPA Limited	359,284 ⁽¹⁰⁾
Just Meat ⁽¹⁾	Linkers CPA Limited	96,886 ⁽¹¹⁾
Maxzi The Good Food Restaurant & Cafe ⁽¹⁾	FRG Chartered Accountants	42,598 ⁽¹²⁾
Indoguna (Cambodia) ⁽¹⁾	Fii & Associates Co., Ltd.	187,762 ⁽¹³⁾
ARO Commercial ⁽¹⁾	Khin Su Htay & Associates Limited	240,098 ⁽¹⁴⁾

Remark: (1) Auditor is not the same audit company as the Company’s auditor
(2) In 2020 equivalent to VND 338,000,000 (VND 1 = THB 0.0013)
(3) In 2020 equivalent to MMK 848,380 (MMK 1 = THB 0.0228)
(4) In 2020 equivalent to INR 3,200,000 (INR 1 = THB 0.4229)
(5) In 2020 equivalent to USD 25,000 (USD 1 = THB 31.2937)
(6) In 2020 equivalent to RMB 16,981 (RMB 1 = THB 4.5385)
(7) In 2020 equivalent to RMB 11,320 (RMB 1 = THB 4.5385)
(8) In 2020 equivalent to SGD 34,000 (SGD 1 = THB 22.6881)
(9) In 2020 equivalent to AED 30,000 (AED 1 = THB 8.5196)
(10) In 2020 equivalent to HKD 89,000 (HKD 1 = THB 4.0369)
(11) In 2020 equivalent to HKD 24,000 (HKD 1 = THB 4.0369)
(12) In 2020 equivalent to AED 5,000 (AED 1 = THB 8.5196)
(13) In 2020 equivalent to USD 6,000 (USD 1 = THB 31.2937)
(14) In 2020 equivalent to MMK 10,530,600 (MMK 1 = THB 0.0228)

2. Non-audit fees

The Company and its subsidiaries also paid to the Audit Firm during fiscal year 2020 for non-audit fees, namely, for other consulting engagements not related to audit services, tax & legal consulting services, and agreed-upon procedures engagements as per the following details:

Company	Non-Audit Service	Service Providers	Paid (Baht)	Contingent Expenses (Baht) ⁽¹⁴⁾
Siam Makro	Agreed-upon procedures ⁽¹⁾	KPMG Phoomchai Audit Limited	-	20,000
Siam Makro	Tax & Legal Consulting Services ⁽²⁾	KPMG Phoomchai Tax Limited	-	1,160,000
Siam Makro	Business Advisory Services ⁽³⁾	KPMG Phoomchai Business Advisory Limited	-	6,400,000
Siam Food Services	Agreed-upon procedures ⁽¹⁾	KPMG Phoomchai Audit Limited	37,500	7,500
Indoguna Vina Food Service	Accounting, Tax & Legal Consulting Services ⁽⁴⁾	KPMG Tax and Advisory Limited	140,400	187,200
CP Wholesale India	Tax & Legal Consulting Services ⁽⁵⁾	KPMG India	148,015	-
CP Wholesale India	Business Advisory Services ⁽⁶⁾	KPMG Partnership Firm	-	718,930
Makro (Cambodia)	Tax Consultant ⁽⁷⁾	Ernst & Young (Cambodia) LTD	150,210	-
Indoguna Dubai	Business Advisory Services ⁽⁸⁾	DOM Tax Consultant & FRG Chartered Accountants	137,166	-
Indoguna Lordly	Business Advisory Services ⁽⁹⁾	Linkers CPA Limited	32,295	-
Just Meat	Business Advisory Services ⁽¹⁰⁾	Linkers CPA Limited	24,221	-
Maxzi The Good Food Restaurant & Cafe	Business Advisory Services ⁽¹¹⁾	DOM Tax Consultant	34,078	-
Indoguna (Cambodia)	Tax Consultant ⁽¹²⁾	Grant Thornton (Cambodia) Limited/Fii & Associates Co. Ltd.	470,188	-
ARO Commercial	Tax Consultant ⁽¹³⁾	PricewaterhouseCoopers Myanmar Co., Ltd.	731,272	-
Total			1,905,345	8,493,630

Remark: (1) Attendance to observe inventory destruction
(2) Transfer pricing advisory services on BEPS Action Plan 13
(3) Advisory Services on Personal Data Protection Act (PDPA)
(4) This service provider is in the same Group as the Audit firm. The paid amount for the year 2020 is VND 108,000,000 and contingent expense is VND 144,000,000 (VND 1 = THB 0.0013)
(5) The paid amount for the year 2020 is INR 350,000 (INR 1 = THB 0.4229)
(6) Contingent expense is INR 1,700,000 (INR 1 = THB 0.4229)
(7) The paid amount for the year 2020 is USD 4,800 (USD 1 = THB 31.2937)
(8) The paid amount for the year 2020 is AED 16,100 (AED 1 = THB 8.5196)
(9) The paid amount for the year 2020 is HKD 8,000 (HKD 1 = THB 4.0396)
(10) The paid amount for the year 2020 is HKD 6,000 (HKD 1 = THB 4.0396)
(11) The paid amount for the year 2020 is AED 4,000 (AED 1 = THB 8.5196)
(12) The paid amount for the year 2020 is USD 15,025 (USD 1 = THB 31.2937)
(13) The paid amount for the year 2020 is MMK 32,073,350 (MMK 1 = THB 0.0228)
(14) Contingent expenses as at 31 December 2020

Board Of Directors and Executives



As of 31 December 2020





Mr. Suphachai Chearavanont

Chairman of the Board of Directors

Age : 53 Years
Nationality : Thai
Date of Appointment : 18 February 2020
Relationship with Executives : Sibling of Mr. Narong Chearavanont

Education

- Honorary Doctorate degree in Business Management, Khon Kaen University
- Honorary Doctorate degree in Marketing, Rajamangala University of Technology Isan
- Honorary Doctorate degree in Mass Communications, Ramkhamhaeng University
- Bachelor of Business Administration in Financial Management, Boston University, USA

Training with Thai Institute of Directors (Thai IOD)

2011 Director Accreditation Program (DAP) 92/2011

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Feb 2020 - Present Chairman of the Board of Directors
Siam Makro Public Company Limited

Jun 2019 - Present Chairman of the Board of Directors
True Corporation Public Company Limited

Present Vice Chairman
CP All Public Company Limited

Present Vice Chairman
Charoen Pokphand Foods Public Company Limited

Remarkable Positions in Non-Listed Company

Oct 2019 - Present Chairman
Digital Council of Thailand

2019 - Present Advisor
E-Learning Association of Thailand

Aug 2018 - Present Member of the Public Engagement Committee
Princess Maha Chakri Award Foundation

2018 - Present Honorary Advisor
The Federation of Thai Industries

Jul 2017 - Present President
The Thai Federation of ICT Technology Association (TFIT)

2017 - Present Advisor
The University Council of the University of the Thai Chamber of Commerce

2017 - Present Advisor
The Thai Chamber of Commerce

2017- Present Chief Executive Officer
Charoen Pokphand Group Company Limited

2016 - Present Director
Pracharath Rak Samakkee Social Enterprise (Thailand) Company Limited

Jun 2016 - Present Chairman
UN Global Compact Local Network in Thailand

Present Honorary President
Telecommunications Association of Thailand under the Royal Patronage (TCT)

2017 - 2020 Director
Telecommunications Association of Thailand under the Royal Patronage (TCT)

2015 - 2017 President
Telecommunications Association of Thailand under the Royal Patronage (TCT) (Board #12)

Shareholding in the Company

Director/ Executive (Shares) -

Spouse (Shares) -

Minor (Shares) -



Mr. Joti Bhokavanij

Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee

Age : 78 Years
Nationality : Thai
Date of Appointment : 5 July 2013
Relationship with Executives : None

Education

- Fellow of the Association of Chartered Certified Accountants, England
- Programme for Management Development, Harvard Business School, USA
- Marketing Management Programme, Stanford Graduate School of Business, Stanford University, USA

Training with Thai Institute of Directors (Thai IOD)

2012 IOD National Director Conference 2012 - Moving Corporate Governance Forward: Challenge for Thai Directors

Monitoring the Quality of Financial Reporting (MFR)

Successful Formulation & Execution of Strategy (SFE)

How to Measure the Success of Corporate Strategy (HMS)

Monitoring Fraud Risk Management (MFM)

Monitoring the Internal Audit Function (MIA)

Monitoring the System of Internal Control and Risk Management (MIR)

2009 Director Certification Program (DCP)

2003 Director Accreditation Program (DAP)

2000 Role of Chairman Program (RCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Aug 2019 - Present Chairman of the Audit Committee/
Chairman of the Nomination and Remuneration Committee
Siam Makro Public Company Limited

Sep 2017 - Present Independent Director and Chairman of the Audit Committee
True Corporation Public Company Limited

Jul 2013 - Present Independent Director
Siam Makro Public Company Limited

2012 - Present Member of Finance Committee and
Member of Remuneration Committee
True Corporation Public Company Limited

2013 - May 2020 Chairman
Bangkok Ranch Public Company Limited

Aug 2016 - Aug 2019 Member of the Corporate Governance Committee
Siam Makro Public Company Limited

2012 - Dec 2019 Independent Director
Loxley Public Company Limited

2013 - Aug 2019 Member of the Audit Committee
Siam Makro Public Company Limited

2012 - Apr 2018 Member of Audit Committee
Loxley Public Company Limited

1999 - Sep 2017 Independent Director and Member of Audit Committee
True Corporation Public Company Limited

Remarkable Positions in Non-Listed Company

2009 - 2019 Director
Thai Smart Card Company Limited

2002 - 2017 Director
Bangkok Inter Teletech Public Company Limited

2002 - 2017 Director
True Move Company Limited

1999 - 2017 Director
Kingfisher Holdings Limited

Shareholding in the Company

Director/ Executive (Shares) -

Spouse (Shares) -

Minor (Shares) -



Mr. Rawat Chamchalerm
Independent Director and Chairman of the Corporate Governance Committee

Age : 76 Years
Nationality : Thai
Date of Appointment : 28 August 2019
Relationship with Executives : None

Education

- Master of Laws, Chulalongkorn University
- Bachelor of Laws, Thammasart University
- Thai Barrister-at-Law
- Degree of the National Defense College

Training with Thai Institute of Directors (Thai IOD)
2004 Director Accreditation Program (DAP)

Past Experiences and/or Remarkable Positions
Remarkable Positions in Listed Company

Aug 2019 - Present	Independent Director and Chairman of the Corporate Governance Committee Siam Makro Public Company Limited
2016 - Present	Independent Director Loxley Public Company Limited
2014 - Present	Consultant Bangkok Airways Public Company Limited
2013 - Present	Independent Director and Chairman of the Board of Directors Sino-Thai Engineering & Construction Public Company Limited
2011 - Present	Independent Director Sermsuk Public Company Limited
2010 - Present	Independent Director True Corporation Public Company Limited

Remarkable Positions in Non-Listed Company

Present	Consultant A.P. Honda Company Limited
Present	Pension officer Office of the Attorney General
Present	Vice Chairman of the Board of Directors, Chairman of the Management Committee and the Company’s Legal Advisor Don Muang Tollway Public Company Limited
Present	Juridical Council Office of the Council of State
Present	Chairman Committee for Inspection of Draft Law and By-law The Cabinet
Present	Adjunct Professor Faculty of Law Chulalongkorn University
Present	Adjunct Professor Thammasart University
Present	Adjunct Professor The Thai Bar under the Royal Patronage
Present	Adjunct Professor Institute of Administration Development
Present	Adjunct Professor Department of Special Investigation

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	10,000
Minor (Shares)	-



Mrs. Kannika Ngamsopee
Independent Director and Member of the Audit Committee

Age : 64 Years
Nationality : Thai
Date of Appointment : 28 August 2019
Relationship with Executives : None

Education

- Master degree of Accounting, Thammasart University
- Master degree of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor degree of Accounting (2nd Honors), Thammasart University
- Bachelor degree of Laws, Thammasart University

Training with Thai Institute of Directors (Thai IOD)
2002 Director Certification Program (DCP), Class 21/2002
2018 Risk Management Program for Corporate Leaders (RCL), Class 13/2018

Past Experiences and/or Remarkable Positions
Remarkable Positions in Listed Company

Aug 2019 - Present	Independent Director and the Audit Committee Siam Makro Public Company Limited
2018 - Present	Independent Director Chairman of Audit Committee Chairman of the Nomination, Remuneration and Corporate Governance and Risk Management Committee Scan Inter Public Company Limited
Jul 2018 - Present	Chairman of Audit Committee And Member of Risk Management Committee Thonburi Healthcare Group Public Company Limited

Sep 2015 - Present	Independent Director Chairman of Risk Management Committee and Audit Committee Global Green Chemical Public Company Limited
Dec 2016 - 2018	Independent Director and Chairman of Audit Committee Scan Inter Public Company Limited
Jun 2015 - Jul 2016	First Executive Vice President - Head of Audit Group The Siam Commercial Bank Public Company Limited

Remarkable Positions in Non-Listed Company

2017 - Present	Asset Management Committee Vajiravudh College
2017 - Present	Financial and Budget Subcommittee Equitable Education Fund
2017 - Present	Director ARYU International Health Care Company Limited
2017 - Present	Advisory of Monetary Policy Committee Bank Of Thailand
2016 - Present	Audit Subcommittee and Evaluation Department Ministry of Administration

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-



Mr. Jukr Boon-Long
Independent Director, Member of the Audit Committee,
and Member of the Corporate Governance Committee

Age : 63 Years
Nationality : Thai
Date of Appointment : 28 August 2019
Relationship with Executives : None

Education

- Master of Arts (International Political and Economy), University of Detroit, USA
- Bachelor of Laws, Ramkhamhaeng University

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Training with Thai Institute of Directors (Thai IOD)

2019 Directors Certification Program (DCP)
2019 Risk Management Program for Corporate Leaders

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Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Aug 2019 - Present	Independent Director
	Member of the Audit Committee and Member of the Corporate Governance Committee
	Siam Makro Public Company Limited
Jan 2019 - Present	Independent Director and Member of the Audit Committee
	P.C.S. Machine Group Holding Public Company Limited
Apr 2018 - Present	Independent Director and Member of the Audit Committee
	Glow Energy Public Company Limited
Nov 2018 - Present	Independent Director and Member of the Audit Committee
	S Hotels & Resorts Public Company Limited

Remarkable Positions in Non-Listed Company

2020 - Present	Chairman
	The Megawatt Company Limited
2019 - Present	Director and Chairman of Risk Management Subcommittee
	Neighbouring Countries Economic Development Cooperation Agency (Public Organization)
2017 - 2018	Ambassador
	Yangon, Myanmar
2015 - 2016	Ambassador
	Oslo, Norway

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Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-



Mr. Prasobsook Boondech
Independent Director and Member of the Nomination
and Remuneration Committee

Age : 75 Years
Nationality : Thai
Date of Appointment : 8 November 2019
Relationship with Executives : None

Education

- Capital Market Academy Class 10
- National Defence College of Thailand Class 41
- Barrister-at-Law, Lincoln’s Inn
- Barrister-at-Law, Thai Bar Association
- Bachelor of Law, Thammasat University

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Training with Thai Institute of Directors (Thai IOD)

2020 Director Accreditation Program (DAP)
2017 Director Accreditation Program (DAP)
2016 Ethical Leadership Program (ELP)

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Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Nov 2019 - Present	Independent Director and Member of the Nomination and Remuneration Committee
	Siam Makro Public Company Limited
2016 - Present	Independent Director
	Chairman of Sustainability and Corporate Governance Committee
	CP All Public Company Limited
2011 - Present	Legal adviser
	Thanachart Bank Public Company Limited
2015 - 2019	Vice Chairman
	News Network Corporation Public Company Limited



Mr. Korsak Chairasmisak
Director, First Vice Chairman and Member of the
Nomination and Remuneration Committee

Age : 68 Years
Nationality : Thai
Date of Appointment : 5 July 2013
Relationship with Executives : None

Education

- Honorary Doctorate in Philosophy in Education Management, Collage of Asian Scholars (C.A.S.)
- Honorary Doctorate in Philosophy, Faculty of Accounting, Rajamangala University of Technology Srivijaya
- Honorary Doctorate in Business Administration in Management, Sripatum University
- Honorary Doctorate in Arts, North Chiang Mai University
- Honorary Doctorate in Business Administration in Management, Suan Dusit Rajabhat University
- Bachelor of Economics, Thammasat University
- Certificate of Commerce, Assumption Commerce College

Training with Thai Institute of Directors (Thai IOD)

- 2006 Role of Chairman Program (RCP)
- 2000 Director Certification Program (DCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

- Nov 2016 - Present Member of the Nomination and Remuneration Committee
Siam Makro Public Company Limited
- 2013 - Present Director
First Vice Chairman
Siam Makro Public Company Limited
- 1990 - Present Vice Chairman
Chairman of Executive Committee
CP ALL Public Company Limited

Remarkable Positions in Non-Listed Company

- 1990 - Present Vice Chairman
Charoen Pokphand Group Company Limited
- Present Chairman
Panyapiwat Association
- Present Expert Committee, Member of the
Institution Council, Panyapiwat
Institute of Management
- Present President
World Chinese Wei Qi Federation
- Present President
Go Association of Thailand

Shareholding in the Company

- Director/ Executive (Shares) -
- Spouse (Shares) -
- Minor (Shares) -



Mrs. Suchada Ithijarakul
Director, Second Vice Chairman and Group Chief
Executive Officer – Siam Makro

Age : 68 Years
Nationality : Thai
Date of Appointment : 29 August 1996
Relationship with Executives : None

Education

- Bachelor Degree in Accountancy (Second Class Honours), Chulalongkorn University

Training with Thai Institute of Directors (Thai IOD)

- 2003 Director Certification Program (DCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

- Mar 2017 - Present Group Chief Executive Officer - Siam Makro
Siam Makro Public Company Limited
- 2013 - Present Second Vice Chairman
Siam Makro Public Company Limited
- 1996 - Present Director
Siam Makro Public Company Limited
- 2010 - Feb 2017 Chief Executive Officer
Siam Makro Public Company Limited

Remarkable Positions in Non-Listed Company

- Sep 2018 - Present Director
ARO Commercial Company Limited
- 2017 - Present Director
Indoguna (Cambodia) Company Limited
- 2017 - Present Director
Maxzi The Good Food Restaurant & Cafe Limited Liability Company
- 2017 - Present Director
Indoguna (Singapore) Private Limited
- 2017 - Present Director
Indoguna Dubai Limited Liability Company

- 2017 - Present Director
Indoguna Lordly Company Limited
- 2017 - Present Director
Just Meat Company Limited
- 2017 - Present Director
Makro (Guangzhou) Food Company Limited
- 2017 - Present Director
CP Wholesale India Private Limited
- 2016 - Present Director
Makro (Cambodia) Company Limited
- 2015 - Present Director
ProMart Company Limited
- 2014 - Present Director
ARO Company Limited
- 2014 - Present Director
Makro ROH Company Limited
- 2012 - Present Director
Indoguna Vina Food Service Company Limited
- 2005 - Present Director
Siam Food Services Limited

Shareholding in the Company

- Director/ Executive (Shares) -
- Spouse (Shares) -
- Minor (Shares) -



Dr. Prasert Jarupanich
Director

Age : 72 Years
Nationality : Thai
Date of Appointment : 7 May 1988
Relationship with Executives : None

Education

- Program for Management Development (PMD) Harvard Business School
- Ph.D. in Industrial Engineering and Management, Oklahoma State University, USA
- Master of Computer Science, University of Missouri at Rolla
- Bachelor of Computer Science, University of Missouri at Rolla

Training with Thai Institute of Directors (Thai IOD)

- 2008 Role of the Compensation Committee
- 2004 Director Certification Program (DCP)
- 2004 Finance for Non-Finance Director

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

2010 - Present	Director Siam Makro Public Company Limited
1988 - Present	Director CP ALL Public Company Limited
2010 - Nov 2016	Member of the Nomination and Remuneration Committee Siam Makro Public Company Limited

Remarkable Positions in Non-Listed Company

- None -

Shareholding in the Company

Director/ Executive (Shares)	200
Spouse (Shares)	-
Minor (Shares)	-



Mr. Pittaya Jearavisitkul
Director

Age : 65 Years
Nationality : Thai
Date of Appointment : 5 July 2013
Relationship with Executives : None

Education

- Master of Business Administration, Thammasat University
- Bachelor of Economics (First Class Honour), Thammasat University

Training with Thai Institute of Directors (Thai IOD)

2000 Director Certification Program (DCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

2013 - Present	Director and Vice Chairman of Executive Committee CP ALL Public Company Limited
2013 - Present	Director Siam Makro Public Company Limited
2013 - 2015	Member of the Nomination and Remuneration Committee Siam Makro Public Company Limited

Remarkable Positions in Non-Listed Company

Present	Council Committee Panyapiwat Institute of Management
Present	Director ALL Corporation Limited
Present	Director ALL Training Company Limited
Present	Director Panyatara Company Limited
Present	Director Suksapiwat Company Limited

Present	Director All Now Management Company Limited
Present	Director All Now Logistics Company Limited
Present	Director MAM Heart Company Limited
Present	Director Gosoft (Thailand) Company Limited
Present	Director CP Retailink Company Limited
Present	Director Counter Service Company Limited
Present	Director CPRAM Company Limited
Present	Director 24 Shopping Company Limited
Present	Director OHT Company Limited
Present	Director Siam Makro Holding (Thailand) Limited
Present	Director ALL Wellness Company Limited

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-



Mr. Piyawat Titasattavorakul
Director

Age : 67 Years
Nationality : Thai
Date of Appointment : 5 July 2013
Relationship with Executives : None

Education

- Honorary Doctorate, Suan Dusit Rajabhat University
- Bachelor of Business Administration in Marketing, Ramkhamhaeng University

Training with Thai Institute of Directors (Thai IOD)

2001 Director Certification Program (DCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

2013 - Present	Director and Vice Chairman of Executive Committee CP ALL Public Company Limited
2013 - Present	Director Siam Makro Public Company Limited

Remarkable Positions in Non-Listed Company

Present	Director Panyapiwat Institute of Management
Present	Director Panyapiwat Technological College
Present	Director MAM Heart Company Limited
Present	Director Counter Service Company Limited
Present	Director CPRAM Company Limited
Present	Director CP Retailink Company Limited
Present	Director Gosoft (Thailand) Company Limited
Present	Director ALL Now Management Company Limited
Present	Director Suksapiwat Company Limited

Present	Director Panyatara Company Limited
Present	Director All Training Company Limited
Present	Director All Corporation Company Limited
Present	Director OHT Company Limited
Present	Director 24 Shopping Company Limited
Present	Director ALL Wellness Company Limited
Present	Director ALL NOW LOGISTICS Company Limited
Present	Director Thai Smart Card Company Limited
Present	Director ICONSIAM Company Limited
Present	Director The Iconsiam Residences Corporation Limited
Present	Director The Iconsiam Chaopraya River Holdings Company Limited
Present	Director Siam River Holdings Company Limited
Present	Director Siam Makro Holding (Thailand) Limited
Present	Director TESCO STORE (MALAYSIA) SDN.BHD

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-



Mr. Adirek Sripratak
Director

Age : 74 Years
Nationality : Thai
Date of Appointment : 5 July 2013
Relationship with Executives : None

Education

- Honorary Doctorate in Agriculture, Nakhon Sawan Rajabhat University
- Honorary Doctorate in Science, Maejo University
- Honorary Doctorate in Economics, Chiang Mai University
- Honorary Doctorate in Science (Food Science and Technology), Rajamangala University of Technology Isan
- Honorary Doctorate in Philosophy, Faculty of Agriculture, Ubon Ratchatani University
- Honorary Doctorate in Philosophy, Faculty of Food Technology, Mae Fah Luang University
- Honorary Doctorate in Business Administration, Rajamangala University of Technology Suvarnabhumi
- Honorary Doctorate in Philosophy, Faculty of Food Science, Kasetsart University
- Certificate of Accounting, Rajamangala Institute of Technology, Bangkok Commercial Campus

Training with Thai Institute of Directors (Thai IOD)

2017 Risk Management Program for Corporate Leaders
2005 Director Accreditation Program (DAP)
2001 Director Certification Program (DCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

2020 - Present	Member of the Remuneration and Nominating Committee Charoen Pokphand Foods Public Company Limited
Mar 2017 - Present	Vice Chairman and Member of the Corporate Governance Committee Charoen Pokphand Foods Public Company Limited

2013 - Present	Director Siam Makro Public Company Limited
2012 - Present	Member of the Corporate Social Responsibility and Sustainable Development Committee Charoen Pokphand Foods Public Company Limited
2005 - Present	Director CP ALL Public Company Limited
2003 - 2017	President and Chief Executive Officer Charoen Pokphand Foods Public Company Limited

Remarkable Positions in Non-Listed Company

Jan 2017 - Present	Senior Vice Chairman Charoen Pokphand Group Company Limited
2005 - 2017	Vice Chairman Charoen Pokphand Group Company Limited

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-



Mr. Narong Chearavanont

Director

Age : 55 Years
Nationality : Thai
Date of Appointment : 5 July 2013
Relationship with Executives : Sibling of Mr. Supachai Chearavanont

Education

- Honorary Doctorate in Business Administration, Ramkhamhaeng University
- Advance Management Program: Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University, USA
- Systematic Innovation of Products, Processes and Services, MIT Sloan School of Management, USA
- Bachelor of Science, Major in Business Administration, New York University, USA

Training with Thai Institute of Directors (Thai IOD)

2007 Director Accreditation Program (DAP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

2013 - Present Director Siam Makro Public Company Limited
2008 - Present Director True Corporation Public Company Limited
1999 - Present Director CP ALL Public Company Limited

Remarkable Positions in Non-Listed Company

2019 - Present Director C.P. Pokphand Company Limited
2017 - Present Senior Vice Chairman Charoen Pokphand Group Company Limited
2014 - Present Director True Visions Group Company Limited
2013 - Present Chairman Charoen Pokphand Import and Export Trading (Shanghai) Company Limited
2011 - Present Director SM True Company Limited

2011 - Present Director The ICONSIAM Superlux Residences Corporation Limited
2011 - Present Director The ICONSIAM Residences Corporation Limited
2011 - Present Director ICONSIAM Company Limited
2010 - Present Vice Chairman Panther Entertainment Company Limited
2010 - Present Vice Chairman Marketing and Distribution Business (Thailand)
2010 - Present Vice Chairman Marketing and Distribution Business (China)
2010 - Present Vice Chairman Real Estate & Land Development Business (China)
2010 - Present Vice Chairman Shanghai Kinghill Company Limited
2008 - Present Director CPPC Company Limited
2007 - Present Executive Vice Chairman Chia Tai (China) Investment Company Limited
2007 - Present Executive Vice Chairman CP Lotus Corporation Company Limited
2016 - 2017 Vice Chairman Charoen Pokphand Group Company Limited

Shareholding in the Company

Director/ Executive (Shares) -
Spouse (Shares) -
Minor (Shares) -



Mr. Umroong Sanphasitvong

Director and Member of the Corporate Governance Committee

Age : 67 Years
Nationality : Thai
Date of Appointment : 15 July 2013
Relationship with Executives : None

Education

- Master Degree in Accounting, Thammasat University
- Bachelor Degree in Accounting, Thammasat University

Training with Thai Institute of Directors (Thai IOD)

2016 Ethical Leadership Program
2016 IT Governance
2007 Role of the Compensation Committee
2006 Board Performance Evaluation
2006 DCP Refresher
2003 Company Secretary
2001 Director Certification Program (DCP)

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Aug 2016 - Present Member of the Corporate Governance Committee Siam Makro Public Company Limited
Feb 2016 - Present Member of the Corporate Governance Committee CP ALL Public Company Limited
2013 - Present Director Siam Makro Public Company Limited
2001 - Present Director True Corporation Public Company Limited
1999 - Present Director CP ALL Public Company Limited
Aug 2016 - Nov 2017 Member of the Remuneration and Nomination Committee CP ALL Public Company Limited

Remarkable Positions in Non-Listed Company

Present Deputy Group CFO Charoen Pokphand Group Company Limited
2005 - Present Director C.P. Lotus Corporation
2004 - Present Director CPPC Public Company Limited
2003 - 2016 Director Vina Siam Bank (Vietnam)
1999 - 2016 Director Allianz C.P. Insurance Public Company Limited

Shareholding in the Company

Director/ Executive (Shares) -
Spouse (Shares) -
Minor (Shares) -



Mrs. Saowaluck Thithapant
Director and Group Chief Shared Service Officer – Siam Makro

Age : 65 Years
Nationality : Thai
Date of Appointment : 15 December 2004
Relationship with Executives : None

Education		2017 - Present	Director
• Master Degree in Accountancy, Thammasat University			Indoguna (Singapore) Private Limited
• Bachelor Degree in Accountancy (Second Class Honors), Thammasat University		2017 - Present	Director
• Bachelor Degree in Law, Thammasat University			Indoguna Dubai Limited Liability Company
Training with Thai Institute of Directors (Thai IOD)		2017 - Present	Director
2005 Director Accreditation Program (DAP)			Indoguna Lordly Company Limited
Past Experiences and/or Remarkable Positions		2017 - Present	Director
Remarkable Positions in Listed Company			Just Meat Company Limited
Mar 2020 - Present	Group Chief Shared Service Officer - Siam Makro	2017 - Present	Director
	Siam Makro Public Company Limited		Makro (Guangzhou) Food Company Limited
Jan 2018 - Feb 2020	Group Chief Financial Officer - Siam Makro	2017 - Present	Director
	Siam Makro Public Company Limited		CP Wholesale India Private Limited
2004 - Present	Director	2016 - Present	Director
	Siam Makro Public Company Limited		Makro (Cambodia) Company Limited
Mar 2017 - Jan 2018	Group Chief Financial and Shared Services Officer	2015 - Present	Director
	Siam Makro Public Company Limited		ProMart Company Limited
2010 - Feb 2017	Chief Financial and Shared Services Officer	2015 - Present	Director
	Siam Makro Public Company Limited		Charoen Pokphand Capital Company Limited
Remarkable Positions in Non-Listed Company		2014 - Present	Director
Mar 2019 - Present	Chairman		ARO Company Limited
	Guangzhou Huadu Makro Food Supermarket Company Limited	2014 - Present	Director
Sep 2018 - Present	Director		Makro ROH Company Limited
	ARO Commercial Company Limited	2012 - Present	Director
2017 - Present	Director		Indoguna Vina Food Service Company Limited
	Indoguna (Cambodia) Company Limited	2005 - Present	Director
2017 - Present	Director		Siam Food Services Limited
	Maxzi The Good Food Restaurant & Cafe Limited Liability Company		



Mr. Lin, Chi-Lung
Chief Executive Officer – Food Service Asia Pacific and Middle East

Age : 56 Years
Nationality : Chinese Taipei
Date of Appointment : 15 May 2003
Relationship with Executives : None

Education		2017 - Present	Director
• Master of Business Administration, National Taipei University of Technology, Taiwan			Just Meat Company Limited
Training with Thai Institute of Directors (Thai IOD)		2015 - Present	Director
2010 Director Certification Program (DCP)			ProMart Company Limited
Past Experiences and/or Remarkable Positions		2015 - Present	Director
Remarkable Positions in Listed Company			ARO Company Limited
Jan 2018 - Present	Chief Executive Officer - Food Service Asia Pacific and Middle East	2014 - Present	Director
	Siam Makro Public Company Limited		Makro ROH Company Limited
Mar 2017 - Jan 2018	Chief Executive Officer - Food Service Siam Makro Public Company Limited	2012 - Present	Director
2015 - Feb 2017	Chief Operation Officer – Commercial, Marketing and Supply Chain		Indoguna Vina Food Service Company Limited
	Siam Makro Public Company Limited	2007 - Present	Director
Remarkable Positions in Non-Listed Company			Executive Director
2017 - Present	Director		Siam Food Services Limited
	Indoguna (Cambodia) Company Limited	2017 - June 2019	Director
2017 - Present	Director		Makro (Guangzhou) Food Company Limited
	Maxzi The Good Food Restaurant & Cafe Limited Liability Company		
2017 - Present	Director		
	Indoguna (Singapore) Private Limited		
2017 - Present	Director		
	Indoguna Dubai Limited Liability Company		
2017 - Present	Director		
	Indoguna Lordly Company Limited		



Mr. Paul Stephen Howe
Group Chief Information Officer – Siam Makro

Age : 54 Years
Nationality : British
Date of Appointment : 2 September 2013
Relationship with Executives : None

Education

- The Diploma of Information Technology (DIT), Melbourne Institute of Technology, Australia

Training with Thai Institute of Directors (Thai IOD)

- None -

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Jan 2018 - Present	Group Chief Information Officer - Siam Makro
	Siam Makro Public Company Limited
Mar 2017 - Jan 2018	Group Chief Information Officer
	Siam Makro Public Company Limited
2014 - Feb 2017	Chief Business and Information Technology Officer
	Siam Makro Public Company Limited

Remarkable Positions in Non-Listed Company

- None -

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-



Mr. Ricardo Augusto Amaro De Oliveira Boarotto
Chief Executive Officer – Makro Thailand Business Unit

Age : 49 Years
Nationality : Portuguese
Date of Appointment : 1 January 2020
Relationship with Executives : None

Education

- Bachelor Degree Agricultural Engineering, Institute Politecnico De Castelo Branco

Training with Thai Institute of Directors (Thai IOD)

2017 Director Certification Program (DCP), Class 241/2017

Past Experiences and/or Remarkable Positions

Remarkable Positions in Listed Company

Jan 2020 - Present	Chief Executive Officer - Makro Thailand Business Unit
	Siam Makro Public Company Limited
Jul 2019 - Dec 2019	Chief Executive Officer (Acting)
	Siam Makro Public Company Limited
Jan 2017 - Jul 2019	Chief Commercial Officer
	Siam Makro Public Company Limited
Jun 2014 - Dec 2016	Senior Director - Commercial Food Service
	Siam Makro Public Company Limited

Remarkable Positions in Non-Listed Company

Dec 2020 - Present	Director
	Siam Food Services Limited

Shareholding in the Company

Director/ Executive (Shares)	-
Spouse (Shares)	-
Minor (Shares)	-

Board of Directors who resigned during the year 2020



Mr. Arsa Sarasin
Chairman of the Board of Directors

Age : 84 Years
Nationality : Thai
Date of Appointment : 26 January 1994
Resignation Date 1 February 2020
Relationship with Executives : None

Education

- Honorary Doctoral Degree in Political Science (International Affairs), Thammasat University
- B.A. in Business Administration, Boston University, USA

Training with Thai Institute of Directors (Thai IOD)

- 2013 Role of Chairman Program (RCP)
- 2008 Finance for Non-Finance Director (FND)
- 2007 Audit Committee Program (ACP)
- 2003 Director Accreditation Program (DAP)

Past Experiences and/or Remarkable Positions

Working Experiences in Listed Company

- 2018 - Present Independent Director Bangkok Dusit Medical Services Public Company Limited
- 2015 - Present Chairman and Independent Director Dusit Thani Public Company Limited
- 1998 - Present Chairman Padaeng Industry Public Company Limited
- Sep 2016 - Feb 2020 Director Siam Makro Public Company Limited
- 1999 - Feb 2020 Chairman of the Board of Directors Siam Makro Public Company Limited
- Aug 2016 - Aug 2019 Member of the Corporate Governance Committee Siam Makro Public Company Limited
- 2015 - Mar 2018 Chairman of the CSR Committee for Sustainable Development Siam Cement Public Company Limited
- 2001 - March 2018 Director Member of the Governance and Nomination Committee Siam Cement Public Company Limited

- 2013 - May 2016 Vice Chairman Chairman of the Audit Committee Chairman of the Remuneration and Nominating Committee Chairman of the Corporate Governance Committee Charoen Pokphand Foods Public Company Limited
- 2007 - Aug 2016 Independent Director Siam Makro Public Company Limited
- 1999 - May 2016 Independent Director Charoen Pokphand Foods Public Company Limited

Remarkable Positions in Non-Listed Company

- 2013 - Present Chairman Mitsubishi Elevator Asia Company Limited
- 2003 - Present Director Thainamthip Company Limited
- 1995 - Present Chairman Amata City Company Limited
- 1993 - Present Chairman Thai Asia Pacific Brewery Company Limited
- Nov 2018 - Present Chairman Bualuang Foundation
- Oct 2018 - Present Chairman The Queen’s Gallery Foundation
- 2014 - Present Chairman Mitsubishi Electric Thai Foundation
- 2005 - Present Vice Chairman Thai Tapioca Development Institute
- 2004 - Present Chairman of Advisors Thai – Laos Friendship Associate
- Dec 1988 - Present Chairman Padaeng Zinc Foundation

Shareholding in the Company

- Director/ Executive (Shares) -
- Spouse (Shares) -
- Minor (Shares) -

Reference Persons



Securities Registrar	Thailand Securities Depository Company Limited (TSD) The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 0-2009-9000, 0-2009-9999 Fax. 0-2009-9991
External Auditors	Ms. Sujitra Masena C.P.A. Reg. No. 8645 Mr. Charoen Phosamritlert C.P.A. Reg. No. 4068 Mrs. Munchupa Singsuksawat C.P.A. Reg. No. 6112 KPMG Phoomchai Audit Limited 1 Empire Tower, 50 th Floor, Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 0-2677-2000 Fax: 0-2677-2222
Legal Counsel	SCL Nishimura Company Limited 3 Rajanakarn Building, 20 th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 0-2676-6667-8 Fax: 0-2676-6188-9 Chavalit & Associates Limited 3 Rajanakarn Building, 20 th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 0-2676-6667-8 Fax: 0-2676-6188-9



General Information of the Company and its Subsidiaries



As of 31 December 2020

Siam Makro Public Company Limited (“SML”)

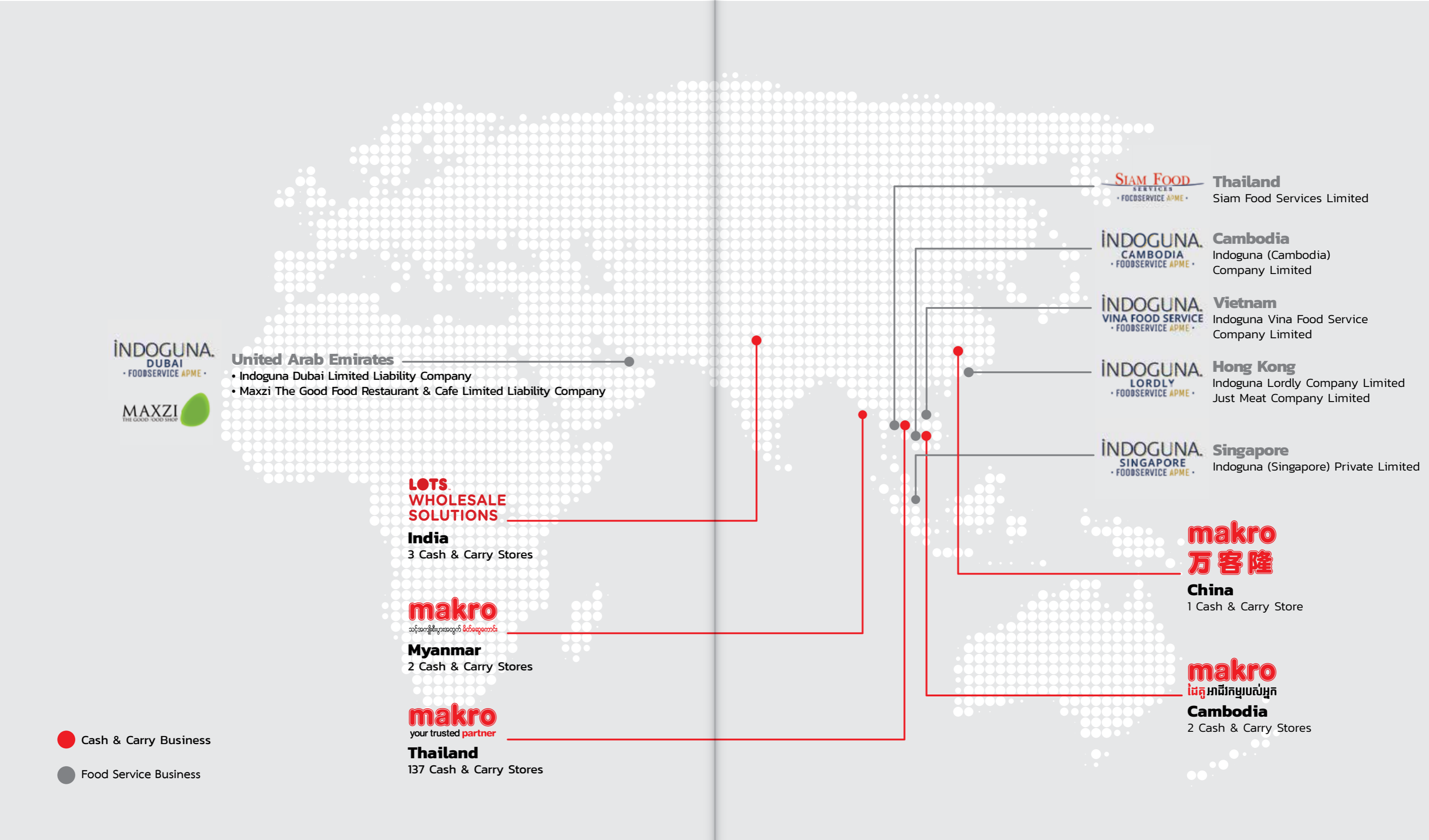
Company registration No.	: 0107537000521 (Former no. Bor Mor Jor. 299)
Date of incorporation	: 10 May 1988
Head office	: 1468 Phatthanakan Road, Phatthanakan Sub District, Suan Luang District, Bangkok 10250
Tel.	: 0 2067 8999
Fax.	: 0 2067 9888
Website	: www.siammakro.co.th
Type of business	: Operating a cash and carry business under the name “Makro” by focusing on selling food and non - food products to professional customers. Key Makro customers are small to medium sized professional operators in various industries i.e. Retailers, HoReCa, Institution, and Services operators
Type and No. of shares	: Registered ordinary shares, totaling 4,800,000,000 shares
Registered capital	: Baht 2,400,000,000 with 4,800,000,000 shares at a par value of Baht 0.50 each
Issued and paid - up capital	: Baht 2,400,000,000 with 4,800,000,000 shares at value of Baht 0.50 each

Subsidiaries

As of 31 December 2020

Name of Company/ Address	Type of Business	Country of Operation	Type of Share	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
1. Promart Company Limited ("PRO") 1468 Phatthanakan Road, Phatthanakan Sub District, Suan Luang District, Bangkok 10250 Tel : 0 2067 8999 Fax : 0 2067 9044	Trading of non-food products	Thailand	ordinary	THB 10,000,000	THB 2,500,000	THB 100	99.99
2. Makro ROH Company Limited ("MROH") 1468 Phatthanakan Road, Phatthanakan Sub District, Suan Luang District, Bangkok 10250 Tel : 0 2067 8999 Fax : 0 2067 9044 "	Providing teachnical and supporting services to the Group	Thailand	ordinary	THB 4,707,000,000	THB 4,532,000,000	THB 100	99.99
3. Makro (Cambodia) Company Limited ("MAC") 5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Cambodia Tel : (855) 23 977 377 Website : www.makrocambodia.com	Wholesales and retail operator and related business	Cambodia	ordinary	USD 68,000,000	USD 47,200,000	USD 10	70
4. CP Wholesale India Private Limited ("CPWI") 7 th & 8 th Floor, WeWork BlueOne Square, 246, Phase IV, Udyog Vihar, Gurugram 122016 India Tel : (91) 124 447 9000 Fax : (91) 124 447 9199 Website : https://corporate.lotswholesale.com	Wholesales and retail business	India	ordinary	INR 675,000,000	INR 671,428,530	INR 10	99.99
5. ARO Commercial Company Limited ("MM") 322, Upper Pazundaung Road, Sat San Ward Mingalar Taung Nyunt Township, Yangon, Myanmar 11171 Tel : (95) 9770 330 100	Wholesales and retail operator and related business	Republic of the Union of Myanmar	ordinary	USD 31,300,000	USD 31,300,000	-	99.99
6. ARO Company Limited ("ARO") Corner of Bogyoke Aung San Road and 27 th Street, Unit #15-06 to #15-10, Level 15, Junction City Tower, Pabedan Township, Yangon, Myanmar	Providing marketing and consulting services	Republic of the Union of Myanmar	ordinary	USD 183,000	USD 183,000	-	99.99
7. Makro (Guangzhou) Food Company Limited ("MGZ") Zibian#01 of 10 th & 11 th Floor, No.65 Xianlie Middle Road, Yuexiu District, Guangzhou, China Tel : (86) 020 2333 6999	Wholesales and retail operator and related business	The People's Republic of China	ordinary	CNY 111,000,000	CNY 111,000,000	-	99.99
8. Guangzhou Huadu Makro Food Supermarket Company Limited ("MGH") 163 Yingbin avenue, Gaosheng Square, 1 st & 2 nd Floor, Huadu District, Guangzhou, China Tel : (86) 020 2221 6688	Wholesales and retail operator and related business	The People's Republic of China	ordinary	CNY 15,000,000	CNY 15,000,000	-	99.99

Name of Company /Address	Type of Business	Country of Operation	Type of Share	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
9. Siam Food Services Limited (“SFS”) 2439 Old Paknam Railway Road, Prakhonong, Klongtoey, Bangkok 10110 Tel : 0 2782 6000 Fax : 0 2782 6009 Website : www.siamfoodservices.com	Importing and trading of food product from international and domestic sources and providing freight, delivery rental and storage services	Thailand	ordinary	THB 3,183,000,000	THB 3,183,000,000	THB 100	99.99
10. Indoguna Vina Food Service Company Limited ("INDV") 44B Phan Xich Long Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam Tel : (84) 907 091 188 Fax : (84) 28 3995 6756 Website : www.indogunavina.com	Trading, distribution, import and expot food products	Vietnam	ordinary	USD 5,000,000	USD 5,000,000	-	100
11. Indoguna (Singapore) Private Limited ("INDS") 36 Senoko Drive, Senoko Industrial Estate, Singapore 758221 Tel : (65) 6755 0330 Fax : (65) 6755 9522 Website : www.indoguna.com	Manufacturing, trading, importing and exporting of food related products	Singapore	ordinary	SGD 1,600,000	SGD 1,600,000	-	80
12. Indoguna Dubai Limited Liability Company ("INDD") Al Waha Street, Exit 46, Al Quoz 1 P.O. Box 123125, Dubai, United Arab Emirates Tel : (971) 4 338 6304 Fax : (971) 4 338 6305 Website : www.indoguna.com/indoguna-dubai-llc/	Importing and trading of food related products	United Arab Emirates	ordinary	AED 300,000	AED 300,000	AED 1,000	80
13. Maxzi The Good Food Restaurant & Cafe Limited Liability Company ("Maxzi") Al Shafar Investment Building, Shop No. 20, P.O. Box 126113 Al Quoz 1, Dubai, United Arab Emirates Tel : (971) 4 395 3988 Website : https://maxzi.ae	Restaurant and minimart	United Arab Emirates	ordinary	AED 8,000,000	AED 7,000,000	AED 1,000	80
14. Indoguna Lordly Company Limited ("INDL") Unit 5A & Unit 7B, Sing Mei Industrial Building 29-37 Kwai Wing Road, Kwai Chung, Hong Kong Te l: (852) 2730 2025 Website : www.lordly.com.hk	Manufacturing, trading, importing and exporting of food related products	Hong Kong	ordinary	HKD 10,000	HKD 10,000	HKD 1	80
15. Just Meat Company Limited ("JM") Unit 5A & Unit 7B, Sing Mei Industrial Building 29-37 Kwai Wing Road, Kwai Chung, Hong Kong Tel : (852) 2730 2025 Website : www.justmeat.com.hk	Importing and trading of food related products	Hong Kong	ordinary	HKD 1,000,000	HKD 1,000,000	HKD 1,000	80
16. Indoguna (Cambodia) Company Limited (“INDC”) 5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia Tel : (855) 2 390 1369	Importing and trading of food related products	Cambodia	ordinary	USD 2,500,000	USD 2,500,000	USD 10	99.99



Location of Head Office Branches and Subsidiaries



Cash & Carry Business in Thailand

1. Siam Makro Public Company Limited - Head Office

1468, Phatthanakan Road, Phatthanakan, Suan Luang, Bangkok 10250

Tel : 0 2067 8999 Fax : 0 2067 9888

2. ProMart Company Limited - Subsidiary

1468 Phatthanakan Road, Phatthanakan, Suan Luang, Bangkok 10250

Tel : 0 2067 8999 Fax : 0 2067 9888
- Cash & Carry Business – Classic Format

1. Makro Lardprao Branch

3498 Lardprao Road, Klongchan, Bangkok 10240

Tel : 0 2119 7501 Fax : 0 2375 9162

2. Makro Chaengwattana Branch

34/54 Moo 1, Chaengwattana Road, T. Klongklear, A.Pakkred, Nonthaburi 11120

Tel : 0 2000 7851 Fax : 0 2574 5426
3. Makro Srinakarin Branch

422 Moo 5, Srinakarin Road, Samrong-Nua, A. Mueang, Samutprakan 10270

Tel : 0 2009 7901 Fax : 0 2383 4441

4. Makro Bangbon Branch

210, Kanchanaphisek Road, Khlong Bang Phran, Bangbon, Bangkok 10150

Tel : 0 2000 7621 Fax : 0 2416 5974
5. Makro Chonburi Branch

55/3 Moo 2, Sukhumvit Road, T. Samed, A. Mueang Chonburi, Chonburi 20000

Tel : 0 3303 1520 Fax : 0 3827 9218

6. Makro Chiang Mai Branch

152 Moo 6, T. Nong-Pa-Krung, A. Mueang Chiang Mai, Chiang Mai 50000

Tel : 0 5200 3600 Fax : 0 5207 0722
7. Makro Nakhon Ratchasima Branch

523 Mittraphap - Nongkai Road, T. Naimuang, A. Mueang, Nakhon Ratchasima 30000

Tel : 0 4400 8454 Fax : 0 4401 3912

8. Makro Rangsit Branch

189 Phaholyothin Road, T. Prachathipat, A. Thanyaburi, Pathumthani 12130

Tel : 0 2000 8400 Fax : 0 2992 2213
9. Makro Hat Yai Branch

414 Kanchanavanich Road, Moo 5, T. Kho-Hong, A. Hat Yai, Songkhla 90110

Tel : 0 7489 2151 - 66 Fax : 0 7429 8775

10. Makro Udon Thani Branch

207/3 Moo 14, T. Makkhang, A. Mueang Udon Thani, Udon Thani 41000

Tel : 0 4218 2360 Fax : 0 4215 5584
11. Makro Phitsanulok Branch

1199 Boromtriokkanart 2 Road, T. Naimueang, A. Mueang, Phitsanulok 65000

Tel : 0 5500 7051 - 54 Fax : 0 5500 7094

12. Makro Khon Kaen Branch

195 Moo 12, Mittraphap Road, T. Mueang Kao, A. Mueang, Khon Kaen 40000

Tel : 0 4304 2301 Fax : 0 4305 7030

13. Makro Surat Thani Branch

216 Moo 4, Chonkasem Road, T. Makamtey, A. Mueang, Surat Thani 84000

Tel : 0 7796 9150 Fax : 0 7796 9153

14. Makro Ubon Ratchathani Branch

333 Moo 15, T. Khamyai, A. Mueang, Ubon Ratchathani 34000

Tel : 0 4595 8450 - 3 Fax : 0 4595 8460
15. Makro Rayong Branch

8/2 Moo 3, T. Tubma, A. Mueang, Rayong 21000

Tel : 0 3368 0970 Fax : 0 3368 0950

16. Makro Nakhon Sawan Branch

67/15 Moo 6, T. Nakhon Sawan East, A. Mueang, Nakhon Sawan 60000

Tel : 0 5600 8578 Fax : 0 5632 5210
17. Makro Charan Sanitwong Branch

521, 521/27 Charan Sanitwong Road, Bangkhunsri, Bangkoknoi, Bangkok 10700

Tel : 0 2000 8040 Fax : 0 2864 5713

18. Makro Sathorn Branch

1 Narathiwasratchanakarin Road, Thungwatdon, Sathorn, Bangkok 10120

Tel : 0 2000 8248 Fax : 0 2676 1676
19. Makro Nakhon Pathom Branch

86 Moo 13, T. Prongmadua, A. Mueang Nakhon Pathom, Nakhon Pathom 73000

Tel : 0 3410 7130 Fax : 0 3410 7149

20. Makro Surin Branch

4/3 Lakmueang Road, T. Naimueang, A. Mueang Surin, Surin 32000

Tel : 0 4406 2702 Fax : 0 4406 2714
21. Makro Nakhon Si Thammarat Branch

614 Moo 2, Karom Road, T. Phosadet, A. Mueang Nakhon Si Thammarat, Nakhon Si Thammarat 80000

Tel : 0 7583 0420 Fax : 0 7583 0421

22. Makro Chiang Rai Branch

12 Moo 17, T. Bando, A. Mueang Chiang Rai, Chiang Rai 57100

Tel : 0 5202 3053 Fax : 0 5370 3679
23. Makro Sakon Nakhon Branch

459 Moo 3, Bankoksomhong Road, T. Thatchoengchum, A. Mueang Sakon Nakhon, Sakon Nakhon 47000

Tel : 0 4217 1461 - 4 Fax : 0 4217 1474

24. Makro Suphan Buri Branch

290/2 Moo 4, T. Sanam-Chai, A. Mueang, Suphan Buri 72000

Tel : 0 3596 1251 Fax : 0 3596 1295
25. Makro Chanthaburi Branch

21/11 Moo 11, T. Plubpla, A. Mueang Chanthaburi, Chanthaburi 22000

Tel : 0 3960 1461 Fax : 0 3960 1474 - 5

26. Makro Roi Et Branch

32/1 Taewapiban Road, T. Naimueang, A. Mueang, Roi Et 45000

Tel : 0 4303 1571 Fax : 0 4303 1585
27. Makro Trang Branch

89 Moo 2, T. Khok-Lo, A. Mueang Trang, Trang 92000

Tel : 0 7582 8038 Fax : 0 7582 8044

28. Makro Sakaeo Branch

1000 Suwannasorn Road, T. Sakaeo, A. Mueang Sakaeo, Sakaeo 27000

Tel : 0 3762 8351 Fax : 0 3762 8363
29. Makro Buri Ram Branch

151 Moo 7, T. Isan, A. Mueang Buri Ram, Buri Ram 31000

Tel : 0 4411 1600 Fax : 0 4469 0329

30. Makro Sisaket Branch

112 Moo 6 T. Po, A. Mueang Sisaket, Sisaket 33000

Tel : 0 4596 1531 Fax : 0 4561 7648

- 31. Makro Lamphun Branch**
204 Moo 4, T. Banklang, A. Mueang Lamphun, Lamphun 51000
Tel : 0 5203 1351 Fax : 0 5358 1334
- 32. Makro Phetchaburi Branch**
103 Moo 1, T. Huasaphan, A. Mueang Phetchaburi, Phetchaburi 76000
Tel : 0 3289 8080 Fax : 0 3240 2791
- 33. Makro Chaiyaphum Branch**
999 Moo 1, T. Bungkhal, A. Mueang Chaiyaphum, Chaiyaphum 36000
Tel : 0 4410 1160 Fax : 0 4481 8292
- 34. Makro Saraburi Branch**
66/3 Moo 2, T. Talingchan, A. Mueang Saraburi, Saraburi 18000
Tel : 0 3667 8460 Fax : 0 3673 1111
- 35. Makro Pran Buri Branch**
567 Moo 3, T. Wangpong, A. Pran Buri, Prachuap Khiri Khan 77120
Tel : 0 3290 8618 Fax : 0 3263 0000
- 36. Makro Chachoengsao Branch**
21/4 Moo 5, T. Wangtakhean, A. Mueang, Chachoengsao 24000
Tel : 0 3302 1041 Fax : 0 3851 5174
- 37. Makro Ram Inthra Branch**
904 Ram Inthra Road, Kannayao, Kannayao, Bangkok 10230
Tel : 0 2000 7599 Fax : 0 2540 7746
- 38. Makro Chumphon Branch**
199 Moo 5, T. Wangpai, A. Mueang Chumphon, Chumphon 86000
Tel : 0 7797 2352 Fax : 0 7765 8706
- 39. Makro Kamphangphet Branch**
889 Ratchadamnoen 1 Road, T. Naimueang, A. Mueang Kamphangphet, Kamphangphet 62000
Tel : 0 5502 1301 Fax : 0 5571 7912
- 40. Makro Kanchanaburi Branch**
102 Moo 2, T. Tha Lor, A. Tha Muang, Kanchanaburi 71000
Tel : 0 3491 8518 Fax : 0 3469 9629
- 41. Makro Lop Buri Branch**
227 Moo 5, T. Tha Sala, A. Mueang Lop Buri, Lop Buri 15000
Tel : 0 3668 1541 Fax : 0 3678 4908
- 42. Makro Nong Khai Branch**
232 Moo 12, T. Pho Chai, A. Mueang Nong Khai, Nong Khai 43000
Tel : 0 4208 1571 Fax : 0 4299 0552
- 43. Makro Ratchaburi Branch**
249 Moo 11, T. Jadeehak, A. Mueang Ratchaburi, Ratchaburi 70000
Tel : 0 3291 8560 Fax : 0 3232 6995
- 44. Makro Mae Rim Branch**
212 Moo 4, T. Mae Sa, A. Mae Rim, Chiang Mai 50180
Tel : 0 5200 3633 Fax : 0 5329 8984
- 45. Makro Ayutthaya Branch**
222 Moo 2, T. Kan Ham, A. Uthai, Phra Nakhon Siayutthaya 13210
Tel : 0 3595 3400 Fax : 0 3570 6405
- 46. Makro Lampang Branch**
110/3 Highway Lampang - Ngao Road, T. Phra Bat, A. Mueang Lampang, Lampang 52000
Tel : 0 5401 8700 Fax : 0 5423 1766
- 47. Makro Khlong Luang Branch**
39 Moo 7, T. Khlong Song, A. Khlong Luang, Pathum Thani 12120
Tel : 0 2000 7288 Fax : 0 2529 3949
- 48. Makro Loei Branch**
118 Moo 11, T. Na An, A. Mueang Loei, Loei 42000
Tel : 0 4203 1466 Fax : 0 4284 4666
- 49. Makro Phetchabun Branch**
300 Moo 10, T. Chon Phrai, A. Mueang Phetchabun, Phetchabun 67000
Tel : 0 5602 4363 Fax : 0 5671 9229

- 50. Makro Bang Phli Branch**
79 Moo 1, T. Racha Thewa, A. Bang Phli, Samut Prakan 10540
Tel : 0 2000 9189 Fax : 0 2316 4222
- 51. Makro Mukdahan Branch**
4/9 Chayangkun Kor Road, T. Mukdahan, A. Mueang Mukdahan, Mukdahan 49000
Tel : 0 4204 1150 Fax : 0 4266 1198
- 52. Makro Satun Branch**
889 Moo 6, T. Khlong Khut, A. Mueang Satun, Satun 91000
Tel : 0 7472 5475 Fax : 0 7472 5476
- 53. Makro Trat Branch**
1138 Moo 1, T. Wang Krachae, A. Mueang Trat, Trat 23000
Tel : 0 3961 1361 Fax : 0 3951 3929
- 54. Makro Chum Phae Branch**
201 Moo 2, T. Nong Phai, A. Chum Phae, Khon Kaen 40130
Tel : 0 4304 2345 Fax : 0 4331 3959
- 55. Makro Nakhon Phanom Branch**
405 Nittayo Road, T. Nong Yat, A. Mueang Nakhon Phanom, Nakhon Phanom 48000
Tel : 0 4219 1241 Fax : 0 4253 1661
- 56. Makro Bueng Kan Branch**
680 Moo 7, T. Wisit, A. Mueang Bueng Kan, Bueng Kan 38000
Tel : 0 4208 2028 Fax : 0 4249 2601
- 57. Makro Mae Sai Branch**
740 Moo 9, T. Wiang Phang Kham, A. Mae Sai, Chiang Rai 57130
Tel : 0 5202 1701 Fax : 0 5202 1721
- 58. Makro Salaya Branch**
87/18 Moo 3, T. Salaya, A. Phuttamonthon, Nakhon Pathom 73170
Tel : 0 3410 8734 Fax : 0 3410 8735
- 59. Makro Phatthalung Branch**
207 Moo 9, T. Tha Miram, A. Mueang, Phatthalung 93000
Tel : 0 7482 1100 Fax : 0 7482 1101
- 60. Makro Sukhothai Branch**
236 Moo 4, T. Ban Lum, A. Mueang, Sukhothai 64000
Tel : 0 5501 3130 Fax : 0 5501 3131
- 61. Makro Samut Sakhon Branch**
99/555 Moo 4, T. Khok Kham, A. Mueang Samut Sakhon, Samut Sakhon 74000
Tel : 0 3411 8634 Fax : 0 3411 8635
- 62. Makro Mae Sot Branch**
98/1 Asian Highway Road, T. Mae Sot, A. Mae Sot, Tak 63110
Tel : 0 5503 2155 Fax : 0 5503 2156
- 63. Makro Ranong Branch**
86/9 Moo 2, T. Bang Rin, A. Mueang Ranong, Ranong 85000
Tel : 0 7798 2580 Fax : 0 7798 2590
- 64. Makro Yasothon Branch**
324 Moo 2, T. Tat Thong, A. Mueang Yasothon, Yasothon 35000
Tel : 0 4597 1190 Fax : 0 4597 1180
- 65. Makro Maha Sarakham Branch**
253 Moo 8, T. Koeng, A. Mueang, Maha Sarakham 44000
Tel : 0 4302 2520 Fax : 0 4302 2530
- 66. Makro Fang Branch**
61 Moo 3, T. San Sai, A. Fang, Chiang Mai 50110
Tel : 0 5200 3800 Fax : 0 5200 3803
- 67. Makro Nakhon Nayok Branch**
176 Moo 5, T. Ban Yai, A. Mueang Nakhon Nayok, Nakhon Nayok 26000
Tel : 0 3763 1280 Fax : 0 3763 1282
- 68. Makro Thung Song Branch**
638 Moo 1, T. Chamai, A. Thung Song, Nakhorn Si Thammarat 80110
Tel : 0 7583 0710 Fax : 0 7583 0720

69. Makro Phayao Branch
459/5 Phahonyothin Road, T. Mae Tam, A. Mueang, Phayao 56000
Tel : 0 5407 1501 Fax : 0 5407 1511

70. Makro Phrae Branch
204 Moo 7, T. Na Chak, A. Mueang Phrae, Phrae 54000
Tel : 0 5406 2602 Fax : 0 5406 2628

71. Makro Nan Branch
183, 186 Moo 5, T. Dutai, A. Mueang Nan, Nan 55000
Tel : 0 5405 1155 Fax : 0 5405 1151

72. Makro Warin Chamrap Branch
106 Moo 20, T. Saen Suk, A. Warin Chamrap, Ubonratchathani 34190
Tel : 0 4595 8145 Fax : 0 4595 8155

73. Makro Nong Bua Lam Phu Branch
150 Moo 3, T. Lam Phu, A. Mueang Nong Bua Lam Phu, Nong Bua Lam Phu 39000
Tel : 0 4200 7900 Fax : 0 4200 7897

74. Makro Nong Chok Branch
80 Liap Wari Road, Krathum Rai, Nong Chok, Bangkok 10530
Tel : 0 2017 0000 Fax : 0 2048 3047

75. Makro Prachuap Khiri Khan Branch
5/1 Phetkasem Road, T. Prachuap Khiri Khan, A. Mueang Prachuap Khiri Khan, Prachuap Khiri Khan 77000
Tel : 0 3290 7990 Fax : 0 3280 2276

76. Makro Sing Buri Branch
190 Moo 7, T. Bang Nga, A. Tha Wung, Lop Buri 15150
Tel : 0 3668 6710 Fax : 0 3674 1376

77. Makro Kalasin Branch
185/2 Kaset Sombun Road, T. Kalasin, A. Mueang Kalasin, Kalasin 46000
Tel : 0 4301 4800 Fax : 0 4301 5596

78. Makro Phichit Branch
310 Moo 3, T. Khlong Khachen, A. Mueang Phichit, Phichit 66000
Tel : 0 5603 1730 Fax : 0 5603 6038

79. Makro Pathum Thani Branch
9/20 Moo 1, T. Ban Chang, A. Mueang Pathum Thani, Pathum Thani 12000
Tel : 0 2021 7630 Fax : 0 2034 3528

Cash & Carry Business : Eco Plus Format

1. Makro Samsen Branch
935/11 Samsen Road, Thanon Nakhonchaisi, Dusit, Bangkok 10300
Tel : 0 2000 7410 Fax : 0 2241 8409

2. Makro Phuket Branch
77 Moo 5, T. Vichit, A. Mueang Phuket, Phuket 83000
Tel : 0 7668 8130 Fax : 0 7624 9801

3. Makro Krabi Branch
119 Moo 1, T. Saitai, A. Mueang Krabi, Krabi 81000
Tel : 0 7581 1458 Fax : 0 7585 0132

4. Makro Chiang Mai 2 Branch
191 Moo 7, T. Maehia, A. Mueang Chiang Mai, Chiang Mai 50100
Tel : 0 5200 3616 Fax : 0 5344 7804

5. Makro Pattaya Branch
22/24 Moo 11, T. Nong Prue, A. Bang Lamung, Chonburi 20150
Tel : 0 3805 3400 Fax : 0 3805 3427

6. Makro Pak Chong Branch
889 Moo 8 T. Nong Nam Daeng, A. Pak Chong, Nakhon Ratchasima 30130
Tel : 0 4400 8498 Fax : 0 4400 8497

7. Makro Thalang Branch
365 Moo 1, T. Thep Krasattri, A. Thalang, Phuket 83110
Tel : 0 7668 8300 Fax : 0 7668 8310

8. Makro Nakhon In Branch
60 Moo 1, T. Bang Phai, A. Mueang Nonthaburi, Nonthaburi 11000
Tel : 0 2002 1828 Fax : 0 2019 8747

9. Makro Phitsanulok 2 Branch
410/4 Moo 7, T. Samo Khae, A. Mueang Phitsanulok, Phitsanulok 65000
Tel : 0 5500 8919 Fax : 0 5500 8929

10. Makro Nakhon Ratchasima 2 Branch
587 Moo 10, T. Nong Bua Sala, A. Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000
Tel : 0 4407 1270 Fax : 0 4407 1271

11. Makro Phetkasem Branch
1759/4 Phetkasem Road, Lak Song, Bang Khae, Bangkok 10160
Tel : 0 2033 0050 Fax : 0 2064 7024

12. Makro Bang Bua Thong Branch
47 Moo 2, T. Bang Bua Thong, A. Bang Bua Thong, Nonthaburi 11110
Tel : 0 2003 8790 Fax : 0 2081 5646

13. Makro Kabin Buri Branch
200 Moo 8, T. Mueang Kao, A. Kabin Buri, Prachin Buri 25240
Tel : 0 3762 3900 Fax : 0 3765 5603

14. Makro Bo Win Branch
500 Moo 4, T. Mapyangporn, A. Pluakdaeng, Rayong 21140
Tel : 0 3368 4240 Fax : 0 3321 1105

15. Makro Sattahip Branch
88/20 Moo 3 T. Sattahip, A. Sattahip, Chonburi 20180
Tel : 0 3311 7260 Fax : 0 3313 4905

Cash & Carry Business : Foodservice Format

1. Makro Foodservice Ko Samui Branch
115/52 Moo 6, T. Bo Phut, A. Ko Samui, Surat Thani 84320
Tel : 0 7796 9139 Fax : 0 7796 0161-2

2. Makro Foodservice Hua Hin Branch
58/164 Soi Moobaan Bor Fai, T. Hua Hin, A. Hua Hin, Prachuap Khiri Khan 77110
Tel : 0 3290 8628 Fax : 0 3252 2235

3. Makro Foodservice Patong Branch
140/30, 140/35 Nanai Road, T. Patong, A. Krathu, Phuket 83150
Tel : 0 7668 8280 Fax : 0 7651 2300

4. Makro Foodservice Rawai Branch
5/47 Moo 5, T. Rawai, A. Mueang Phuket, Phuket 83130
Tel : 0 7668 7047 Fax : 0 7638 1551

5. Makro Foodservice Ko Pha-Ngan Branch
114/5 Moo 1, T. Ko Pha-ngan, A. Ko Pha-Ngan, Surat Thani 84280
Tel : 0 7796 9240 Fax : 0 7737 7339

6. Makro Foodservice North-Pattaya Branch
555/1 Moo 6, T. Na Kluea, A. Bang Lamung, Chonburi 20150
Tel : 0 3300 8938 Fax : 0 3300 8939

7. Makro Foodservice Lamai Branch
199 Moo 3, T. Maret, A. Ko Samui, Surat Thani 84310
Tel : 0 7796 9280 Fax : 0 7796 9282

8. Makro Foodservice Kanlapaphruek Branch
16/6 Moo 8, Bang Khun Thian, Chom Thong, Bangkok 10150
Tel : 0 2001 2080 Fax : 0 2001 2090

9. Makro Foodservice Ban Phe Branch
301 Moo 2, T. Phe, A. Mueang Rayong, Rayong 21160
Tel : 0 3368 1701 Fax : 0 3368 1727

10. Makro Foodservice Srinakarin 2 Branch
20 Srinakarin Road, Nong Bon, Prawet, Bangkok 10250
Tel : 0 2006 0300 Fax : 0 2006 0299

11. Makro Foodservice Ko Chang Branch
99/30 Moo 4, T. Ko Chang, A. Ko Chang, Trat 23170
Tel : 03961 1939 Fax : 0 3961 1938

12. Makro Foodservice Ao Nang Branch
793 Moo 2, T. Ao Nang, A. Mueang Krabi, Krabi 81180
Tel : 0 7581 4901 Fax : 0 7581 4902

13. Makro Foodservice Karon Branch
199/1 Patak Road, T. Karon, A. Mueang Phuket, Phuket 83100
Tel : 0 7663 0300 Fax : 0 7663 0314

14. Makro Foodservice Laem Chabang Branch

1/1 Moo 10, T. Thung Suk La, A. Si Racha, Chonburi 20230
Tel : 0 3308 5400 Fax : 0 3313 3396
15. Makro Foodservice Bang Pu Branch

858/21 Moo 1, T. Bang Pu Mai, A. Mueang Samut Prakan, Samut Prakan 10280
Tel : 0 2017 0040 Fax : 0 2068 2916
16. Makro Foodservice Wang Hin Branch

758, 760 Lat Phrao Wang Hin Road, Lat Phrao, Lat Phrao, Bangkok 10230
Tel : 0 2017 0050 Fax : 0 2068 0816
17. Makro Foodservice Udom Suk Branch

176 Udom Suk Road, Bang Na Nuea, Bang Na, Bangkok 10260
Tel : 0 2033 0940 Fax : 0 2035 6526
18. Makro Foodservice Ramkhamhaeng (Sammakorn) Branch

94 Ramkhamhaeng Road, Saphan Sung, Saphan Sung, Bangkok 10240
Tel : 0 2055 8060 Fax : 0 2033 5829
19. Makro Foodservice Bodindecha Branch

361/1 Soi Lat Phrao 94 (Pancha Mit), Phlabphla, Wang Thonglang, Bangkok 10310
Tel : 0 2021 7680 Fax : 0 2034 3588
20. Makro Foodservice Pracha Uthit Branch

547 Pracha Uthit Road, Rat Burana, Rat Burana, Bangkok 10140
Tel : 0 2021 7640 Fax : 0 2034 3578
21. Makro Foodservice Sukhumvit 71 Branch

181/2 Sukumvit 71 Road, Pra Khanong Nuea, Wattana, Bangkok 10110
Tel : 0 2012 7590 Fax : 0 2012 7584
22. Makro Foodservice Nawamin 70 Branch

1106 Nawamin Road, Khlong Kum, Bueng Kum, Bangkok 10230
Tel : 0 2056 2110 Fax : 0 2056 2124
23. Makro Foodservice Cha-am Branch

265 Narathip Road, T. Cha-am, A. Cha-am, Phetchaburi 76120
Tel : 0 3289 7830 Fax : 0 3289 8683
24. Makro Foodservice On Nut Branch

903 On Nut Road, On Nut, Suan Luang, Bangkok 10250
Tel : 0 2021 4770 Fax : 0 2034 3273
25. Makro Foodservice Suksawat Branch

30/9 Suksawat Road, Bang Pakok, Rat Burana, Bangkok 10250
Tel : 0 2017 0740 Fax : 0 2034 3383
26. Makro Foodservice Ladkrabang Branch

601 Ladkrabang Road, Ladkrabang, Ladkrabang, Bangkok 10520
Tel : 0 2011 8780 Fax : 0 2037 7334
27. Makro Foodservice Na Thongcharoen Branch

11/28 Moo 6, T.Kukot, A.Lamlukka, Pathumthani 12130
Tel : 0 2033 6900 Fax : 0 2073 0336
28. Makro Foodservice Ramkhamheang 24 Branch

536/1 Soi Ramkamhaeng 24, Hua Mak, Bang Kapi, Bangkok 10240
Tel : 0 2033 6950 Fax : 0 2056 1727
29. Makro Foodservice Bang Kho Laem Branch

2915 Charoen Krung Road, Bang Kho Laem, Bang Kho Laem, Bangkok 10122
Tel : 0 2089 1950 Fax : 0 2014 7263
30. Makro Foodservice Amata Nakhon Branch

97 Moo 3 , T.Donhuaroh, A.Mueang Chonburi, Chonburi 20000
Tel : 0 3312 5490 Fax : 0 3307 1305

Food Shop Format

1. Makro Food shop Town in Town Branch

456/5 - 6 Soi Lat Phrao 94 (Pancha Mit), Phlabphla, Wang Thonglang, Bangkok 10310
Tel : 0 2006 3020 Fax : 0 2006 3021
2. Makro Food shop Wongsakorn Market Branch

80/3 - 8 Sai Mai Road, Sai Mai, Sai Mai, Bangkok 10220
Tel : 0 2017 0470 Fax : 0 2068 0823
3. Makro Food shop Rama IV Branch

3654/1 Rama IV Road, Khlong Tan, Khlong Toei, Bangkok 10110
Tel : 0 2017 0490 Fax : 0 2068 0833
4. Makro Food shop Thong Lo Branch

205/5 - 10 Soi Sukhumvit 55 (Thong Lo), Khlong Tan Nuea, Watthana, Bangkok 10110
Tel : 0 2012 4530 Fax : 0 2033 5833
5. Makro Food shop Sirimangkalajarn Branch

63 Sirimangkalajarn Road, T. Suthep, A. Mueang Chiang Mai, Chiang Mai 50200
Tel : 0 5201 2460 Fax : 0 5207 0183

Fresh@Makro Format

1. Fresh@ Makro Ram Inthra K.M.4 Branch

248 Ram Inthra Road, Tha Raeng, Bangkhen, Bangkok 10220
Tel : 0 2089 1940 Fax : 0 2056 1753

Siam Frozen Format

1. Siam Frozen, Talad Mueang Mai Branch

1 Soi 3, Mueang Samut Road, T. Chang Moi, A. Mueang Chiang Mai, Chiang Mai 50300
Tel : 0 5323 5536 Fax : 0 5323 5537
2. Siam Frozen, Udon Thani Branch

64, 66 Surakan Road, T. Makkhaeng, A. Mueang Udon Thani, Udon Thani 41000
Tel : 0 4224 1822, 0 4224 1824, 0 4224 1826
3. Siam Frozen, Thung Song Branch

169/1 Nikon Bamrung Road, T. Pak Phraek, A. Thung Song, Nakhon Si Thammarat 80110
Tel : 0 7542 3833 Fax : 0 7542 3256

4. Siam Frozen, Talad Yamo Branch

551/140 - 141 Mittraphap Road, T. Naimueang, A. Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000
Tel : 0 4425 6339 - 40 Fax : 0 4425 6341
5. Siam Frozen, Si Racha Branch

198/14 - 15 Choem Chomphon Road, T. Si Racha, A. Si Racha, Chonburi 20110
Tel : 0 3831 4148 - 9 Fax : 0 3831 4150
6. Siam Frozen, Talad Nana Charoen Branch

23/45 Moo 6, T. Khu Khot, A. Lam Luk Ka, PaThum Thani 12130
Tel : 0 2015 4961
7. Siam Frozen, Na Kluea Branch

298/65 Moo 5, T. Na Kluea, A. Bang Lamung, Chonburi 20150
Tel : 0 3313 3802 Fax : 0 3313 3804

Cash & Carry Business in Overseas

Subsidiary Office

Makro ROH Company Limited Subsidiary
1468 Phatthanakan Road, Phatthanakan, Suan Luang,
Bangkok 10250
Tel : 0 2067 8999 Fax : 0 2067 9888

Cambodia

1. **Makro (Cambodia) Company Limited - Head Office**
5734, Street 1003, Bayab Village, Sangkat Phnom Penh
Thmey, Khan Sen Sok, Phnom Penh, Cambodia
Tel : (855) 23 977 377 Fax : (855) 23 977 366
2. **Makro Sen Sok Branch – Classic Format**
5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey,
Khan Sen Sok, Phnom Penh, Cambodia
Tel : (855) 23 977 377 Fax : (855) 23 977 366
3. **Makro Siem Reap Branch – Eco Plus Format**
National Road No. 6, Koak Tnout Village, Kandaek Commune,
Prasat Bakorng District, Siem Reap Province, Cambodia
Tel : (855) 63 900 123 Fax : (855) 63 900 124

India

1. **CP Wholesale India Private Limited – Head Office**
7th & 8th Floor, We Work BlueOne Square, 246 Phase IV,
Udyog Vihar, Gurugram 122016 India
Tel : (91) 124 447 9000 Fax : (91) 124 447 9199
2. **LOTS Wholesale Solutions**
Netaji Subhash Place Branch – Eco Plus Format
Station Box, Metro Station, Netaji Subhash Place, Pitampura,
New Delhi 110034, India
Tel : (91) 112 700 7800
3. **LOTS Wholesale Solutions**
Akshardham Branch – Eco Plus Format
Parsvanth Mall, Metro Station, Akshardham, Pandav Nagar,
East Delhi, New Delhi 110092 India
Tel : (91) 112 700 7850

4. **LOTS Wholesale Solutions**
Ithum Branch – Eco Plus Format
Plot No A 40, Sector 62, Noida, Gautam Buddha Nagar,
Uttar Pradesh, 201309 India
Tel : (91) 120 402 8000

China

1. **Makro (Guangzhou) Food Company Limited – Head Office**
Zibian#01, 10th & 11th Floor, No.65 Xianlie Middle Road,
Yuexiu District, Guangzhou, China
Tel : (86) 20 2333 6999
2. **Guangzhou Huadu Makro Food Supermarket Company Limited**
Huadu Yingbin Branch - Foodservice Format
No.163 Yingbin avenue, Gaosheng Square 1st & 2nd Floor,
Huadu District, Guangzhou, China
Tel : (86) 20 2221 6688

Myanmar Office

1. **ARO Company Limited**
Unit #15-06 to #15-10, Level 15, Corner of Bogyoke
Aung San Road and 27th Street, Junction City Tower,
Pabedan Township, Yangon, Myanmar
Tel : (95) 9770 330 100
2. **ARO Commercial Company Limited - Head Office**
Pazundaung Road, Sat San Ward, Mingalar Taung Nyunt
Township, Yangon, Myanmar 11171
Tel : (95) 9770 330 100
3. **Makro Sat San Branch - Eco Plus Format**
322 Upper Pazundaung Road, Sat San Ward,
Mingalar Taung Nyunt Township, Yangon Myanmar 11171
Tel : (95) 9770 330 100

Food Service Business in Thailand

- Siam Food Services Limited - Head Office**
2439 Old Paknam Railway Road, Prakhanong, Klongtoey,
Bangkok 10110
Tel : 0 2620 6000 Fax : 0 2620 6001
1. **Siam Food Services, Pattaya Branch**
22/24 Moo 11, T. Nong Prue, A. Bang Lamung, Chonburi
20150
Tel : 0 3805 3430 - 2 Fax : 0 3805 3433
2. **Siam Food Services, Phuket Branch**
77 Moo 5, T. Vichit, A. Mueang Phuket, Phuket 83000
Tel : 0 7661 2892 Fax : 0 7661 2893
3. **Siam Food Services, Chiang Mai Branch**
204/27 Moo 6, T. Fa Ham, A. Mueang Chiang Mai, Chiang Mai
50000
Tel : 0 5324 1447 - 8 Fax : 0 5324 1500
5. **Maxzi The Good Food Restaurant & Cafe**
Limited Liability Company
Al Shafar Investment Building, Shop No. 20, P.O. Box
126113 Al Quoz 1, Dubai, United Arab Emirates
Tel : (971) 4 395 3988
6. **Indoguna (Cambodia) Company Limited**
5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey,
Khan Sen Sok, Phnom Penh, Kingdom of Cambodia
Tel : (855) 02 390 1369
7. **Indoguna Vina Food Service Company Limited**
44B Phan Xich Long Street, Ward 3, Phu Nhuan District,
Ho Chi Minh City, Vietnam
Tel : (84) 907 091 188 Fax : (84) 28 3995 6756
8. **Indoguna Vina Food Service - Hanoi City Branch**
1st Floor, B&T Building No. 3, 120 Lane Truong Chinh,
Phuong Mai Ward, Dong Da District, Hanoi City, Vietnam
Tel : (84) 901 188 401

Food Service Business in Overseas

1. **Indoguna (Singapore) Private Limited**
36 Senoko Drive, Senoko Industrial Estate, Singapore
758221
Tel : (65) 6755 0330 Fax : (65) 6755 9522
2. **Indoguna Lordly Company Limited**
Unit 5A & 7B, Sing Mei Industrial Building 29-37
Kwai Wing Road, Kwai Chung, Hong Kong
Tel : (852) 2730 2025 Fax : (852) 2730 2024
3. **Just Meat Company Limited**
Unit 5A & 6 Unit 7B, Sing Mei Industrial Building 29-37
Kwai Wing Road, Kwai Chung, Hong Kong
Tel : (852) 2730 2025 Fax : (852) 2730 2024
4. **Indoguna Dubai Limited Liability Company**
Al Waha Street, Exit 46, Al Quoz 1 P.O. Box 123125,
Dubai, United Arab Emirates
Tel : (971) 4 338 6304 Fax : (971) 4 338 6305



Siam Makro Public Company Limited

1468 Phatthanakan Road, Phatthanakan,
Suan Luang, Bangkok 10250

Tel: +66 (0) 2067 8999 Fax: +66 (0) 2067 9888

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