CP ALL

ANNUAL REPORT 2017

CP ALL PUBLIC COMPANY LIMITED

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

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Corporate Philosophy

"Through happy employees,
we desire to see smiles from customers."

Vision

"We serve convenience to all communities."

Mission

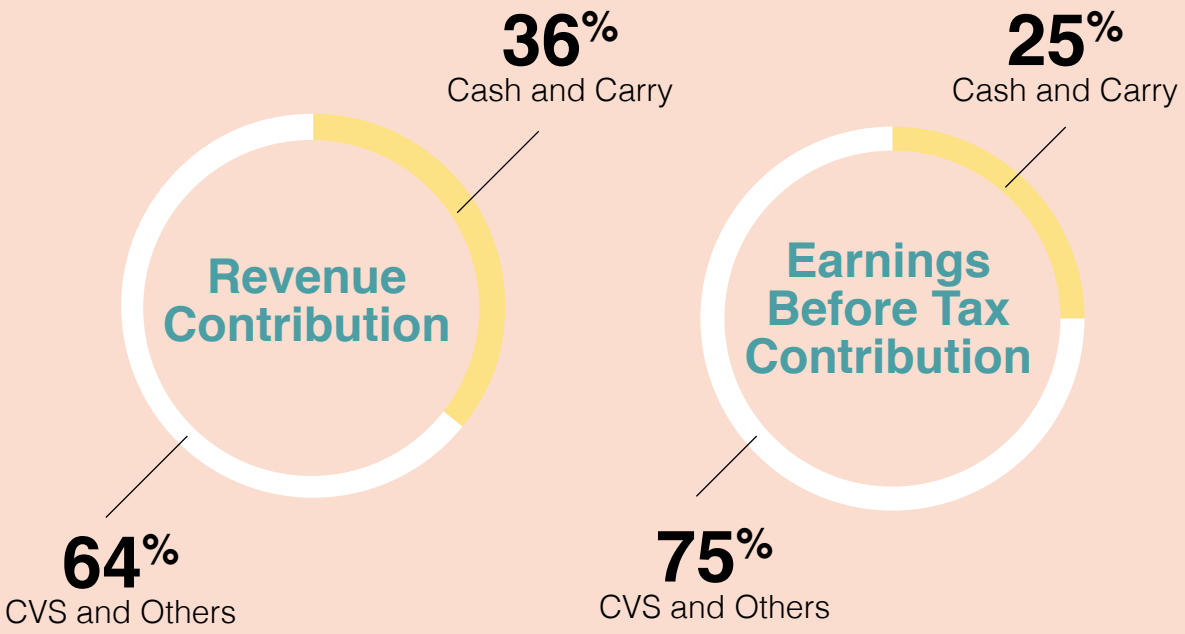
"To create customer engagement
with innovative products and services
and to enhance good relations
with community and society."

Summary of Financial Information

For Fiscal Years Ending December 31,

CP ALL Public Company Limited and its Subsidiaries	2015	2016	2017
Consolidated Financial Information		(Million Baht)	
Net Sales and Services Income	391,817	434,712	471,069
Total Revenues	405,893	451,939	489,403
Net Profit	13,682	16,677	19,908
Net Cash Provided by Operating Activities	31,419	37,939	46,156
Total Assets	329,083	352,268	360,299
Total Liabilities	287,407	292,665	280,070
Total Equity	41,676	59,603	80,229
Share Information		(Baht)	
Book Value per Share	4.64	6.64	8.93
Earnings per Share	1.52	1.85	2.14
Dividend per Share	0.90	1.00	1.10
Financial Ratios		(Percentage)	
Gross Margin (Sales and Services)	21.8	21.9	22.3
EBIT Margin	6.3	6.3	6.4
Net Profit Margin	3.4	3.7	4.1
Net Debt to EBITDA (times)	5.06	4.16	3.31
Return on Total Assets	4.2	4.9	5.6
Return on Total Shareholders' Equity	35.7	32.9	28.5

Revenue and Earnings Before Tax Based on Business Segments[1]

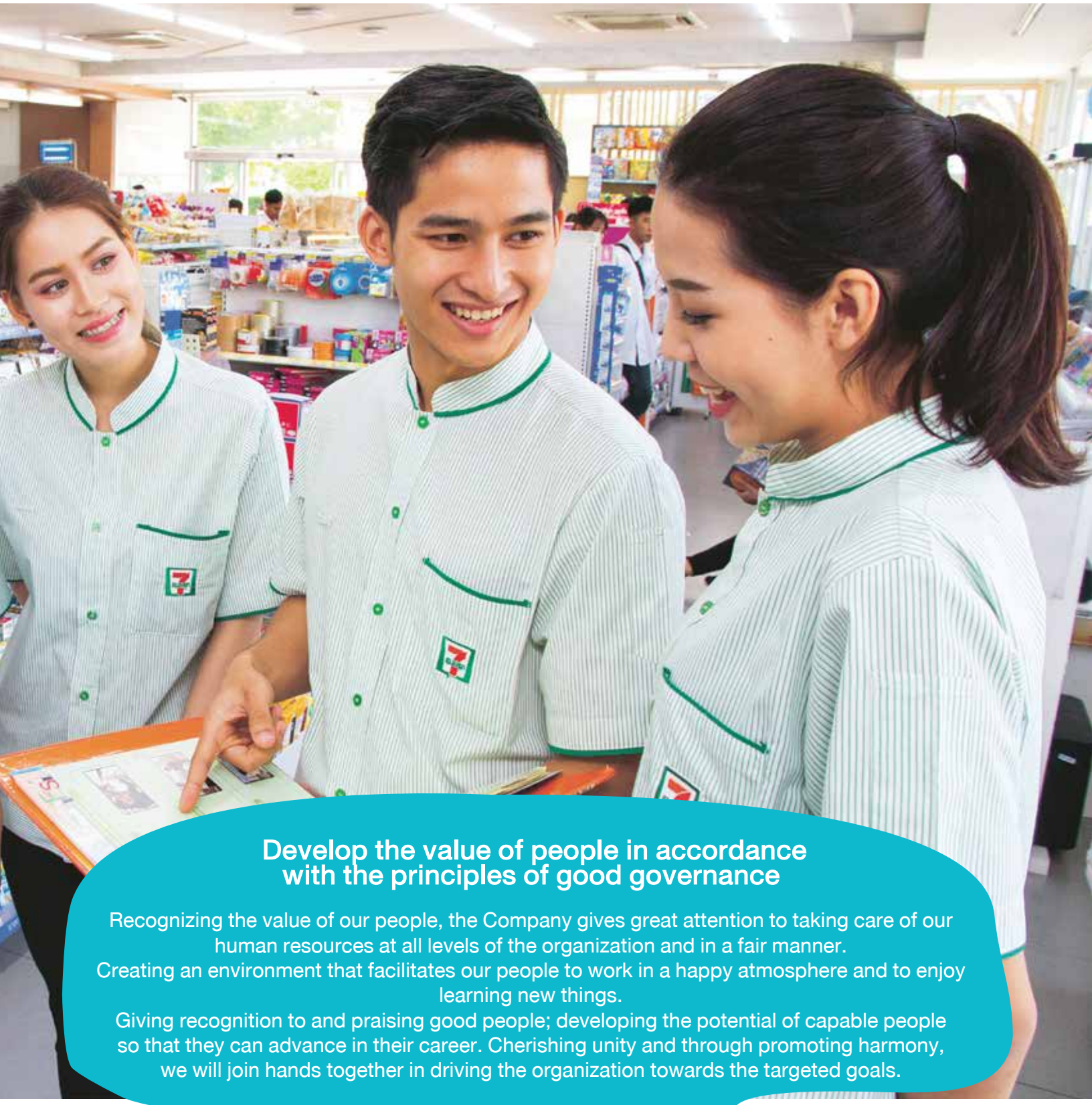


Total Revenue
(Million Baht)

Net Profit
(Million Baht)

[1] *Revenue and earnings before tax before elimination*

READY TO EAT
Xta
Plus



Develop the value of people in accordance with the principles of good governance

Recognizing the value of our people, the Company gives great attention to taking care of our human resources at all levels of the organization and in a fair manner.
Creating an environment that facilitates our people to work in a happy atmosphere and to enjoy learning new things.
Giving recognition to and praising good people; developing the potential of capable people so that they can advance in their career. Cherishing unity and through promoting harmony, we will join hands together in driving the organization towards the targeted goals.

CP ALL

ELEVEN

Manage the value chain through innovation

The Company takes and looks after our business partners as if they were our friends;
treating each of them in an sincere and transparent manner as well as on an equal basis.
Sharing knowledge and know-how, exchanging innovative ideas with them, and developing their capabilities.
Giving to all business partners – both upstream to downstream; and growing together in a sustainable manner, to cooperate in developing the economic value chain,
in order to deliver the best of everything to the consumers.

CP ALL

NEW
Hot Dog
30.
7-ELEVEN.

READY TO
bakery

Create share values with regards to the economy and society

The Company has raised the level of our responsibility in developing on a sustainable basis and in accordance with international standards
Promoting education and learning, developing potential capabilities, so as to create capable and good people who are happy, and growing together with Thai society.
Through increased innovation and support, building up strong SME businesses throughout the value chain, so as to combine our strengths in developing the nation as a whole. This is because once society has sustainability, then the organization will also have sustainability.

CP ALL

PANYAPIWAT INSTITUTE OF TECHNOLOGY
สถาบันเทคโนโลยีปทุมวัน

Deliver the best value based on the customers' feedback

From the smiles of our customers, the Company is fully committed to continually creating both customer happiness and satisfaction in an endless manner, delivering a full range and variety of quality products with good value on a 24 hours basis; And giving this service with full sincerity that exactly meets the needs of a modern life style as well as for the good health of the consumers. Experiencing the best cannot be found anywhere, except from this convenience food store located near you.

CP ALL

Message from the Chairman and Chairman of Executive Committee

Dhanin Chearavanont
The Chairman

Korsak Chairasmisak
Chairman of Executive Committee

The year 2017 was a triumphant year for CP ALL Public Company Limited (CPALL), marking it with great honor for being selected to be in the 2017 DJSI Emerging Markets for the first time in Food & Staples Retailing Category. CPALL is the sole Thai and Southeast Asian Company that has been awarded in the mentioned category. Furthermore, the Company has also been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption. Such successful achievements are derived from the Company's effort in establishing its business foundation based on corporate social responsibility and the consideration given to the importance of all stakeholders throughout the supply chain that can create sustainable value for the business.

Despite the gradual recovery of Thai economy, business operation in 2017 has encountered a number of challenges, including the fast-growing technology that significantly played a vital role in everyday life or the vibrant changes in consumers' needs in products or services. Hence, CP ALL Public Company Limited has kept up its pace, believing that changes occurred would lead to new business opportunities for the Company to grow. Thus, during the past years, the Company has enhanced its efficiency, attuned both short- and long-term strategies, developed new business models, searched for new markets, and applied new technology into our business operation. This included doing product ordering and purchasing via e-commerce or coinciding with cashless society by accepting payment anywhere and anytime for product and service through convenient payment methods such as credit cards or eWallet in order to address our customer lifestyle and meet all stakeholders' expectation, gearing the Company towards the sustainable growth.

Regarding the convenient store business, "7-Eleven" is stepping into its 30th year since the trademark has been granted from 7-Eleven Inc. in the United States

of America in 1998. Through all the past decades, the Company is committed to creating added-value to customers by offering differentiation, assortment, and convenience by continuously improve products and services at 7-Eleven stores. The development of products and services has been undertaken. For example, among ready-to-eat meals and ready-to-drink beverages, the Company has sourced new raw material and improved its cooking receipe to enhance taste of main dishes, appetizers, freshly brewed coffee in order to offer good experience for 7-Eleven's customers, which totaling over 11.8 million people per day. In addition, in 2017 the Company has achieved the target of expanding store network to 10,268 stores nationwide. In 2018, the Company's store rollout plan will remain intact with 700 new stores, in a progress to achieve the next target of having 13,000 stores in Thailand by 2021 under the vision "We serve convenience to all communities."

The Company is committed to reinforce the "Innovation Culture" to be embedded in the convenient store business with the creation of innovation for work processes, products and services in the stores through the President Award, the Shoaling Innovation Awards, the Innovation Days and the Process Excellence Award, organized every year by the Company. These projects aim to promote and support further development of innovation in the business, in accordance with the mission "Creating customer engagement through innovative products and services and enhancing good relations with communities and the society" and also align with Thailand's strategy. Driving the economy with innovation is a significant factor that will fortify Thailand's economy in the year to come.

For cash and carry business, "Makro", which managed by Siam Makro Public Company Limited, was able to retain its solid operating results in domestic market. At the end of 2017, Makro had a total of 123 stores nationwide, providing service to general and member customers which include more than 3 million small and medium enterprises. In driving the country's business to grow fast and firmly, Makro focuses on developing a new store model, customer-centric products and services, and an IT system to serve with e-commerce business in the future. Makro, thus, strives to seek new investment opportunities in potential overseas markets to strengthen its future business growth. In 2017, Makro had marked a significant footprint as it opened its first store in Cambodia, making it the first overseas store. It was a great success gaining an overwhelming positive feedback from Cambodian customers.

In regard to the financial position, the Company focuses on enhancing stability and strengthening the financial position. In addition, we recognise the importance of financial risk management as well as managing finance costs to remain at a suitable level and controlling debt to equity ratio to be lower than the covenant. In 2017, the Company succeeded in issuing debentures as planned, reflecting the investors' confidence in the Company.

On behalf of the Board of Directors and the Executive Committee, we would like to express our gratitude to all of our customers, business partners, shareholders and patrons for always having trust in and giving support to the Company. Additionally, we would like to thank and express our admiration towards the management and all employees for their determination and effort with their full abilities in managing and performing professionally, contributing to the Company's achievement according to the goals jointly set. Lastly, the Company pledges its commitment of conducting business by taking into consideration the maximum benefits for all stakeholders and customers along with developing the economy, society, communities and the country, leading CP ALL Public Company Limited to be a quality organization which grow sustainably and harmoniously with Thai society in perpetuity.

Board of Directors

Prof. Dr. Komain Bhatarabhirom
Chairman of Audit Committee and Independent Director

Mr. Pridi Boonyoung
Audit Committee and Independent Director

Mr. Padoong Techasarintr
Corporate Governance Committee, Remuneration and Nomination Committee, Audit Committee, and Independent Director

Police General Phatcharavat Wongsuwan
Chairman of Remuneration and Nomination Committee, Corporate Governance Committee, and Independent Director

Adjunct Professor Prasobsook Boondech
Chairman of the Corporate Governance Committee and Independent Director

Mr. Dhanin Chearavanont
Chairman

Mr. Korsak Chairasmisak
Vice Chairman

Mr. Adirek Sripratak
Director

Mr. Umroong Sanphasitvong
Director and Corporate Governance Committee

Mr. Soopakij Chearavanont
Director and Remuneration and Nomination Committee

Mr. Narong Chearavanont
Director

Mr. Prasert Jarupanich
Director

Mr. Pittaya Jearavisitkul
Director

Mr. Piyawat Titasattavorakul
Director

Mr. Tanin Buranamanit
Director

Company Secretary and Internal Audit

Mr. Supot Shitgasornpongse
Company Secretary and Vice President - Accounting and Finance

Mr. Kidsada Euapiyachart
Secretary of Audit Committee and Vice President - Internal Audit

Executive Committee

Mr. Korsak Chairasmisak
Chairman of Executive Committee

Mr. Pittaya Jearavisitkul
Vice Chairman of Executive Committee

Mr. Piyawat Titasattavorakul
Vice Chairman of Executive Committee

Mr. Umroong Sanphasitvong
Member of Executive Committee

Mr. Tanin Buranamanit
Member of Executive Committee

Mr. Wisade Wisidwinyoo
Member of Executive Committee

Mr. Taweesak Kaewrathtanapattama
Member of Executive Committee

Executive Officers

Mr. Tanin Buranamanit
Managing Director and
Chief Executive Officer

Mr. Taweesak Kaewrathtanapattama
Senior Vice President -
Accounting and Finance

Mr. Suraphan Pussadej
Senior Assistant Chief
Executive Officer -
Human Resource

Mr. Chuan Nimkittikul
Senior Vice President -
Distribution Center Function

Mr. Suwit Kingkaew
Senior Vice President -
Sustainable Development

Mr. Kosa Pongsupath
Senior Vice President -
Information Technology

Mr. Chairoj Tiwatmuncharoen
Senior Vice President -
Operation

Mr. Skol Tejasataporn
Senior Vice President -
Purchasing

Mr. Vichien Chuengviroj
Senior Vice President -
Corporate Asset and
Facilities Management

Mr. Yuthasak Poomsurakul
Senior Vice President -
Merchandising & Marketing

Ms. Lawan Tienghongsakul
Senior Vice President -
Human Resource

Directors and Management Biography

Prof. Dr. Komain Bhatarabhirom

85 years old

Position :

Chairman of Audit Committee and Independent Director

Appointment Date :

December 28, 2005

Education

- Degree from National Defence College of Thailand Class 28
- Docteur de l'Université de Paris
- Doctor of Law (Honorary) Chulalongkorn University
- Barrister-at-Law, Thai Bar Association
- Bachelor of Law, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2007	Director Accreditation Program (DAP)
2007	Audit Committee Program (ACP)
2007	Accounting for Non-accounting Audit Committee
2009	Monitoring the Quality of Financial Reporting (MFR)
2009	Monitoring the System of Internal Control and Risk Management (MIR)
2009	Monitoring the Internal Audit Function (MIA)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Chairman of the Law Sub Committee, Ministry of Culture
- Professor, Faculty of Law, Chulalongkorn University
- Chairman of the Audit committee, Panyapiwat Institute of Management
- Committee of Law Reform Ministry of Culture

5-Year Past Experiences and/or Remarkable Position

1998 - 2001	Judge, The Constitutional Court
1993 - 1997	Member of the Committee on Appeal, The Securities and Exchange Act 1992
1992 - 1997	Member of Legislative Committee, Office of the Council of State
1992 - 1996	Chairman of the Committee on Interior Administration, Senate
1987 - 1993	Attorney General

(%) shareholding (as at December 31, 2017)

Held personally	-None-
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

6 times out of 6 meetings

Mr. Pridi Boonyoung

79 years old

Position :

Audit Committee and Independent Director

Appointment Date :

March 11, 1999

Education

- Master Degree in Laws, Yale University, USA
- Bachelor Degree in Laws, Thammasat University
- Degree, National Defence College of Thailand Class 3

Training by the Thai Institute of Directors Association (IOD)

2005	Director Accreditation Program (DAP)
2010	Audit Committee Program (ACP)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Audit committee, Panyapiwat Institute of Management

5-Year Past Experiences and/or Remarkable Position

1997 - 1998	Director – General, Treasury Department
1996 - 1997	Director – General, Customs Department
1993 - 1996	Director – General, The Comptroller General's Department

(%) shareholding (as at December 31, 2017)

Held personally	0.00759
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

Mr. Padoong Techasarintr

77 years old

Position :

Corporate Governance Committee, Remuneration and Nomination Committee, Audit Committee, and Independent Director

Appointment Date :

March 11, 1999

Education

- Bachelor Degree in Commerce, Thammasat University
- Bachelor Degree in Accounting, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2001	The Role of Chairman
2003	Director Certification Program (DCP)
2005	Director Accreditation Program (DAP)
2008	Audit Committee Program (ACP)
2008	Monitoring the Internal Audit Function
2017	Independent Director Forum : Updated COSO Enterprise Risk Management : Integrating with Strategy and Performance

Board Member/Management in Listed Company

Present

- Independent Director and Chairman of the Audit Committee, Textile Prestige Public Co., Ltd.
- Independent Director and Chairman of the Audit Committee, Thanulux Public Co., Ltd.
- Independent Director and Chairman of the Audit Committee, Lanna Rerources Public Co., Ltd.
- Independent Director and Audit Committee, Kulthorn Kirby Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Audit Committee, Panyapiwat Institute of Management

5-Year Past Experiences and/or Remarkable Position

1995 - 1998	Executive Director, Siam City Bank Public Co., Ltd.
1994 - 1995	Director – Vice President, Siam City Bank Public Co., Ltd. Senior Executive Vice President, The Industrial Finance Corporation of Thailand

(%) shareholding (as at December 31, 2017)

Held personally	0.00011
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

Police General Phatcharavat Wongsuwan

68 years old

Position :

Chairman of Remuneration and Nomination Committee, Corporate Governance Committee, and Independent Director

Appointment Date :

February 19, 2013

Education

- Diploma, National Defence College, The State, Private Sector and Political Sectors Course Class 2
- Master of Arts (Social Development), Kasetsart University
- Royal Police Cadet Academy Class 25

Training by the Thai Institute of Directors Association (IOD)

2017	Director Accreditation Program (DAP)

Board Member/Management in Listed Company

Present

- Director, Energy Absolute Public Company Limited
- Independent Director, Charoen Pokphand Food Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Consultant, National Broadcasting and Telecommunication Commission (NBTC)

5-Year Past Experiences and/or Remarkable Position

2008	Commissioner-General, Royal Thai Police
2005	Deputy Commissioner-General
2002	Assistant Commissioner-General

(%) shareholding (as at December 31, 2017)

Held personally	-None-
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives
-None-
Attendance at the Board of Directors' Meeting during 2017 :
6 times out of 6 meetings

Adjunct Professor Prasobsook Boondech

72 years old
Position :
Chairman of the Corporate Governance Committee and Independent Director
Appointment Date :
April 21, 2016
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

Training by the Thai Institute of Directors Association (IOD)
2016 Ethical Leadership Program (ELP)
2017 Director Accreditation Program (DAP)
Board Member/Management in Listed Company
Present
- Legal Adviser, Thanachart Bank Public Company Limited
- Vice Chairman, News Network Corporation Public Company Limited

Position in Other Company/Organization/Institution
Present
- Independent Director, C.P. Lotus Corporation

5-Year Past Experiences and/or Remarkable Position
2012 Member of the Council of State
2008 President of the Senate
2004 President of the Court of Appeal
(%) shareholding (as at December 31, 2017)
Held personally -None-
Held by spouse or minor children -None-
Family Relationship among Directors and Executives
-None-
Attendance at the Board of Directors' Meeting during 2017 :
6 times out of 6 meetings

Mr. Dhanin Chearavanont

78 years old
Position :
Chairman
Appointment Date :
March 11, 1999
Education
- Degree from National Defence College of Thailand
- Shantou Secondary School, The People's Republic of China
- Commercial School, Hong Kong

Training by the Thai Institute of Directors Association (IOD)
2005 Director Accreditation Program (DAP)
Board Member/Management in Listed Company
Present
- Chairman, Charoen Pokphand Food Public Co., Ltd.
- Chairman, True Corporation Public Co., Ltd.

Position in Other Company/Organization/Institution
Present
- Senior Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman, C.P. Pokphand Co., Ltd.
- Chairman, Chia Tai (China) Investment Co., Ltd.
- Director, C.P. Land Public Co., Ltd.

5-Year Past Experiences and/or Remarkable Position
-None-
(%) shareholding (as at December 31, 2017)
Held personally 0.01705
Held by spouse or minor children -None-
Family Relationship among Directors and Executives
Mr. Soopakij Chearavanont and
Mr. Narong Chearavanont's father
Attendance at the Board of Directors' Meeting during 2017 :
4 times out of 6 meetings

Mr. Korsak Chairasmisak

65 years old

Position :

Vice Chairman and Chairman of Executive Committee

Appointment Date :

March 11, 1999

Education

- Honorary Doctor of Philosophy in Accounting, Rajamangala University of Technology Srivijaya
- Honorary Doctor of Business Administration, Dhurakij Pundit University
- Honorary Doctor of Business Administration in Management, Suan Dusit Rajabhat University
- Honorary Doctor of Arts, North Chiang Mai University
- Honorary Doctor of Business Administration in Management, Sripatum University
- Bachelor Degree in Economics, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2000 Director Certification Program (DCP)

2006 The Role of Chairman

Board Member/Management in Listed Company

Present

- Vice Chairman and Executive Director, Siam Makro Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Senior Vice Chairman, Charoen Pokphand Group Co., Ltd.
- Expert Committee, Member of the Institution Council, Panyapiwat Institute of Management
- President, Go Association of Thailand
- President, World Chinese Wei Qi Federation
- Director, The International Go Federation (IGF)
- Chairman, Panyapiwat Association
- President, Thailand-Korea Friendship Association
- Committee, Uttayarndham Foundation
- Director, Suksapiwat Co., Ltd.
- Director, Thai Smart Card Co., Ltd.
- Director, OHT Co., Ltd.
- Director, Siam Makro Holding (Thailand) Ltd.
- Director, Lotus Distribution Investment Ltd.

5-Year Past Experiences and/or Remarkable Position

1983 - 1987	Executive Vice President (Trading), Charoen Pokphand Group Co., Ltd. (Based in Hong Kong)
1979 - 1983	Managing Director, Bangkok Produce Merchandising Co., Ltd.
	Managing Director, Bangkok Fisheries Co., Ltd.
	Managing Director, C.P. Agro-Industry Co., Ltd.
	Managing Director, C.P. Intertrade Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.09861*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Adirek Sripratak

71 years old

Position :

Director

Appointment Date :

August 11, 2005

Education

- Honorary Doctorate in Agriculture, Nakhon Sawan Rajabhat University
- Honorary Doctorate of Philosophy in Food Science, Kasetsart University
- Honorary Doctorate in Business Administration, Rajamangala University of Technology Suvarnabhumi
- Honorary Doctorate of Philosophy in Food Technology, Mae Fah Luang University
- Honorary Doctorate of Philosophy in Agriculture, Ubon Ratchathani University
- Honorary Doctorate in Science, Maejo University
- Honorary Doctorate in Economics, Chiang Mai University

- Honorary Doctorate in Science and Food Science, Rajamangala University of Technology Isan

Training by the Thai Institute of Directors Association (IOD)

2001 Director Certification Program (DCP)
2005 Director Accreditation Program (DAP)

Board Member/Management in Listed Company

Present

- Chairman of The Executive Committee, Charoen Pokphand Foods Public Co., Ltd.
- Director, Siam Makro Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Senior Vice Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman, CPF (Thailand) Public Co., Ltd.
- Vice Chairman, C.P. Pokphand Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Training Center Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, Bright Excel Investments Ltd.
- Director, CPF (India) Private Ltd.
- Director, Charoen Pokphand (Taiwan) Investment Ltd.
- Director, Charoen Pokphand Foods Kenya Co., Ltd.
- Director, Chia Tai (China) Investment Co., Ltd.
- Director, Coination Investments Ltd.
- Director, CPF Investment Ltd.
- Director, CPF Tanzania Ltd.
- Director, C.P. Vietnam Corporation
- Director, CPVN Ltd.
- Director, CP Food Investment Ltd.
- Director, C.P. Laos Co., Ltd.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.
- Director, CP Chozen Ltd. and subsidiaries
- Director, CP-Meiji Co., Ltd.
- Honor president, Thai Broiler Processing Exporters Association

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding (as at December 31, 2017)

Held personally -None-
Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

Mr. Umroong Sanphasitvong

65 years old

Position :

Director, Member of Executive Committee and Corporate Governance Committee

Appointment Date :

March 11, 1999

Education

- Master Degree in Accounting, Thammasat University
- Bachelor Degree in Accounting, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2001 Director Certification Program (DCP)
2003 Company Secretary
2006 Board Performance Evaluation
2006 DCP refresher
2007 Role of the Compensation Committee
2016 Driving Company Success with IT Governance (ITG)
2016 Ethical Leadership Program (ELP)

Board Member/Management in Listed Company

Present

- Director, True Corporation Public Co., Ltd.
- Director, Siam Makro Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Deputy Group CFO, Charoen Pokphand Group Co., Ltd.
- Director, CPPC Public Co., Ltd.
- Director, C.P. Lotus Corporation
- Director, ICONSIAM Co., Ltd.
- Director, The Iconsiam Residences Corporation Ltd.
- Director, The Iconsiam Superlux Residence Corporation Ltd.
- Director, The Iconsiam Chaopraya River Holdings Co., Ltd.

- Director, True Leasing Co., Ltd.
- Director, Wire & Wireless Co., Ltd.
- Director, True Lifestyle Retail Co., Ltd.
- Director, True Properties Co., Ltd.
- Director, True Digital Content and Media Co., Ltd.
- Director, True Digital Plus Co., Ltd.
- Director, Bake House Co., Ltd.
- Director, Ascend Group Co., Ltd.
- Director, Suksapiwat Co., Ltd.
- Director, Thai Smart Card Co., Ltd.
- Director, Panyapiwat Institute of Management
- Director, OHT Co., Ltd.
- Director, Siam Makro Holding (Thailand) Ltd.
- Director, Lotus Distribution Investment Ltd.
- Director, Siam River Holdings Company Limited
- Director, Asia Freewill Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding (as at December 31, 2017)

Held personally -None-

Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

6 times out of 6 meetings

Mr. Soopakij Chearavanont

54 years old

Position :

Director and Remuneration and Nomination Committee

Appointment Date :

August 15, 2003

Education

- Honorary Degree of Doctor of Philosophy in Business Administration Ramkhamhaeng University, Thailand
- Bachelor of Science Degree, College of Business and Public Administration New York University, USA

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

Present

- Director, True Corporation Public Company Limited

Position in Other Company/Organization/Institution

Present

- Chairman, Charoen Pokphand Group
- Executive Chairman, True Visions Group Company Limited
- Executive Chairman, Telecom Holding Co., Ltd.
- Chairman, CT Bright Holdings Ltd.
- Chairman, Chia Tai Property Management Company Ltd.
- Chairman, Chia Tai Real Estate Group Company Ltd.
- Chairman, Chia Tai Lotus (Shanghai) Company Ltd.
- Chairman, Fortune Leasing Company Ltd.
- Chairman, Mass Gain Investment Ltd.
- Chairman, Beijing Lotus Supermarket Chain Store Co., Ltd.
- Chairman, SM True Company Limited
- Chairman, Cineplex Company Limited
- Chairman, Panther Entertainment Company Limited
- Chairman, True Media Solutions Company Limited
- Chairman, Satellite Service Company Limited
- Chairman Honorary, True CJ Creations Company Limited
- Co-Chairman, Shanghai Kinghill Limited - Super Brand Mall
- Vice Chairman & CEO, Marketing and Distribution Business (China), Charoen Pokphand Group Co., Ltd.
- Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Co., Ltd.
- Executive Chairman & Chief Executive Office, C.P. Lotus Corporation
- Executive Vice Chairman & CEO, Shanghai Lotus Supermarket Chain Store Co., Ltd.
- Vice Chairman, Marketing and Distribution Business (Thailand), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Real Estate and Land Development Business (Thailand), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Telecommunication Business, Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Automotive Industrial Business (China), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Chia Tai Trading (Beijing) Company Ltd.
- Vice Chairman, Chia Tai Vision Ltd.

- Vice Chairman, Chia Tai International Finance Company Ltd.
- Vice Chairman, Shanghai Fortune World Development Co., Ltd.
- Director, Chia Tai Development Investment Company Ltd.
- Director, Chia Tai Group Company Ltd.
- Director, CP Pokphand Co., Ltd.
- Director, Fortune Shanghai Ltd.
- Director, Lotus-CPF (PRC) Investment Company Ltd.
- Non-Executive Director, Ping An Insurance (Group) Company of China Ltd.
- Director, True Information Technology Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2013 – 2016 Director, Siam Makro Public Company Limited

(%) shareholding (as at December 31, 2017)

Held personally	0.00248
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

Mr. Dhanin Chearavanont's son and
Mr. Narong Chearavanont's brother

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

Mr. Narong Chearavanont

53 years old

Position :

Director

Appointment Date :

March 11, 1999

Education

- Systematic Innovation of Products, Processes and Services, MIT Sloan Executive Education
- Honorary Doctor of Business Administration Program, Ramkhamhaeng University
- Advance Management Program : Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University
- Bachelor of Science, Major : Business Administration, New York University, USA

Training by the Thai Institute of Directors Association (IOD)

2007 Director Accreditation Program (DAP)

Board Member/Management in Listed Company

Present

- Director, Siam Makro Public Co., Ltd.
- Director, True Corporation Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

Senior Vice Chairman

- Charoen Pokphand Group Co., Ltd.

Director

- Shanghai Lotus Supermarket Chain Store Company Limited
- Business Development Bank
- Tai'an Lotus Supermarket Chain Store Company Limited
- Beijing Lotus Supermarket Chain Store Company Limited
- Xi'an Lotus Supermarket Chain Store Company Limited
- Shantou Lotus Supermarket Chain Store Company Limited
- Qingdao Lotus Supermarket Chain Store Company Limited
- CPPC Public Company Limited
- Beston Action Utility Wear (Lianyungang) Company Limited
- Jiangsu CP Lotus Supermarket Chain Store Company Limited
- Beijing CP Lotus Supermarket Chain Store Company Limited
- Zhejiang CP Trading Company Limited
- Cineplex Company Limited
- Satellite Services Company Limited
- Wuxi Ailian Supermarket Chain Store Company Limited
- Wuxi Yilian Supermarket Company Limited
- Taizhou Yilian Supermarket Company Limited
- Hefei Ailian Supermarket Company Limited
- Changsha Chulian Supermarket Company Limited
- Wuhan Yichu Ailian Supermarket Company Limited
- Guangzhou Lotus Supermarket Chain Store Company Limited
- Shanghai Yilian Supermarket Company Limited
- Shanghai Ailian Supermarket Company Limited

- Shanghai Songlian Supermarket Company Limited
- Wenzhou Yichu Ailian Supermarket Company Limited
- Shanghai Cailian Supermarket Company Limited
- Nantung Tonglian Supermarket Company Limited
- Kunshan Tailian Supermarket Company Limited
- C.P. Zonglian (Shanghai) Management Company Limited
- Guangzhou Lotus Supermarket Chain Store Company Limited
- Shanghai Changfa Shopping Center Company Limited
- Nantong Tonglian Supermarket Company Limited
- Zhengzhou Lotus Supermarket Chain Store Company Limited
- Guangdong Huanantong Trading Development Company Limited
- Foshan C.P. Lotus Management Consulting Company Limited
- Zhejiang C.P. Lotus Supermarket Company Limited
- Wuhan Lotus Supermarket Chain Store Company Limited
- OHT Co., Ltd.
- Siam Makro Holding (Thailand) Limited
- Lotus Distribution Investment Limited
- Yangtze Supermarket Investment Company Limited
- Executive Vice Chairman
- CP Lotus Corporation
- Chia Tai (China) Investment Company Limited

Director

- True Visions Group Company Limited
- Chia Tai Qingdao Holdings (Hong Kong) Company Limited
- Chia Tai Xiangyang Holdings (Hong Kong) Company Limited
- Chia Tai Qingdao Holdings Company Limited
- Chia Tai Xiangyang Holdings Company Limited
- The ICONSIAM Superlux Residences Corporation Limited
- The ICONSIAM Residences Corporation Company Limited
- The ICONSIAM Company Limited
- The ICONSIAM Chaopraya River Holdings Company Limited
- Siam River Holdings Company Limited
- True Iconsiam Company Limited

Vice Chairman

- Panther Entertainment Company Limited
- Marketing and Distribution Business (Thailand)
- Marketing and Distribution Business (China)
- Real Estate & Land Development Business (China)
- Shanghai Kinghill Company Limited
- SM True Company Limited
- Senior Executive Assistant to Chairman
- Charoen Pokphand Group "Global Talent Recruitment"

Chief Executive Officer

- Shanghai Litai Logistics Company Limited

5-Year Past Experiences and/or Remarkable Position

1995 – 1997	President, Ex-Chor Distribution (Thailand) Company Limited
1997 – 2002	President, Ex-Chor Trading (Shanghai) Company Limited
2007 – 2010	Director, CP Pokphand Company Limited
2008 – 2010	Director, True Visions Public Company Limited

(%) shareholding (as at December 31, 2017)

Held personally	0.00339
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

Mr. Dhanin Chearavanont's son
and Mr. Soopakij Chearavanont's brother

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

Mr. Prasert Jarupanich

69 years old

Position :

Director

Appointment Date :

March 11, 1999

Education

- Program for Management Development (PMD), Harvard Business School
- Ph.D. Industrial Engineering and Management, Oklahoma State University
- Master Degree in Computer Science, University of Missouri at Rolla
- Bachelor Degree in Computer Science, University of Missouri at Rolla

Training by the Thai Institute of Directors Association (IOD)

2004 Director Certification Program (DCP)
2004 Finance for Non-finance Director
2008 Role of the Compensation Committee

Board Member/Management in Listed Company

Present

- Director, Siam Makro Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Director, Star Marketing Co., Ltd.
- Director, Ete Co., Ltd.
- Director, Telecommunications Network Co., Ltd.
- Director, K.S.P. Equipment Co., Ltd.
- Director, Siam Land Flying Co., Ltd.
- Director, C.P. Consumer Products Co., Ltd.
- Director, Freewill Solutions Co., Ltd.
- Director, Perfect Companion Group Co., Ltd.
- Director, 84 Co., Ltd.
- Director, UNS Agrochemical Co., Ltd.
- Director, Pokphand Enterprise Co., Ltd.
- Director, Nava 84 Co., Ltd.
- Director, Charoen Pokphand Holding Co., Ltd.
- Director, Leadership Development Charoen Pokphand Group Co., Ltd.
- Director, CPL Hill Co., Ltd.
- Director, CPL City Co., Ltd.
- Director, CP Motor Holding Co., Ltd.
- Vice President – Marketing and Distribution Group, Charoen Pokphand Group Co., Ltd

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding (as at December 31, 2017)

Held personally -None-
Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

5 times out of 6 meetings

Mr. Pittaya Jearavisitkul

62 years old

Position :

Director and Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Education

- Master Degree in Business Administration, Thammasat University
- Bachelor Degree in Economics (1st class Honor), Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2000 Director Certification Program (DCP)

Board Member/Management in Listed Company

Present

- Director, Siam Makro Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Director, CPRAM Co., Ltd.
- Director, Counter Service Co., Ltd.
- Director, CP Retailink Co., Ltd.
- Director, Gosoft (Thailand) Co., Ltd.
- Director, MAM Heart Co., Ltd.
- Director, Dynamic Management Co., Ltd.
- Director, Suksapiwat Co., Ltd.
- Director, Panyatara Co., Ltd.
- Director, Panyapiwat Institute of Management
- Director, All Training Co., Ltd.
- Director, All Corporation Ltd.
- Director, OHT Co., Ltd.
- Director, Siam Makro Holding (Thailand) Ltd.
- Director, 24 Shopping Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

1993 – 1998 Vice President – Marketing and Distribution Group, Charoen Pokphand Group Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally 0.02082*
Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

6 times out of 6 meetings

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Piyawat Titasattavorakul

64 years old

Position :

Director and Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Education

- Bachelor Degree in Marketing, Ramkhamhaeng University

Training by the Thai Institute of Directors Association (IOD)

2001 Director Certification Program (DCP)

Board Member/Management in Listed Company

Present

- Director, Siam Makro Public Co., Ltd.

Position in Other Company/Organization/Institution

Present

- Director, ICONSIAM Co., Ltd.
- Director, The Iconsiam Residences Corporation Ltd.
- Director, The Iconsiam Superlux Residence Corporation Ltd.
- Director, The Iconsiam Chaopraya River Holdings Co., Ltd.
- Director, CPRAM Co., Ltd.
- Director, Counter Service Co., Ltd.
- Director, CP Retailink Co., Ltd.
- Director, Gosoft (Thailand) Co., Ltd.
- Director, MAM Heart Co., Ltd.
- Director, Dynamic Management Co., Ltd.
- Director, Suksapiwat Co., Ltd.
- Director, Panyatara Co., Ltd.
- Director, Panyapiwat Institute of Management
- Director, Panyapiwat Technological College
- Director, All Training Co., Ltd.
- Director, All Corporation Ltd.
- Director, OHT Co., Ltd.
- Director, Siam Makro Holding (Thailand) Ltd.
- Director, 24 Shopping Co., Ltd.
- Director, Siam River Holdings Company Limited

5-Year Past Experiences and/or Remarkable Position

1996 - 1998 Vice President – Operation : C.P. Seven Eleven Public Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.00017*
Held by spouse or minor children	0.00002

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

6 times out of 6 meetings

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Tanin Buranamanit

54 years old

Position :

Director, Member of Executive Committee, Managing Director and Chief Executive Officer

Appointment Date :

April 28, 2010

Education

- Bachelor Degree in Marketing, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2010 Director Certification Program (DCP)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Director, All Corporation Ltd.
- Director, Thai Smart Card Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2012 Executive Vice President – Marketing, Operation and Human Resource, CP ALL Public Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.00462*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

Attendance at the Board of Directors' Meeting during 2017 :

6 times out of 6 meetings

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Supot Shitgasornpongse

64 years old

Position :

Company Secretary and Vice President – Accounting and Finance

Appointment Date :

August 13, 2008

Education

- Master of Science in Accounting, Thammasat University
- Bachelor of Accounting (1st Class Honor), Chulalongkorn University

Training by the Thai Institute of Directors Association (IOD)

2003 Company Secretary Program
2004 Director Certification Program (DCP)
2014 Anti-Corruption : The Practical Guide

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Subcommittee on Tax Revenue, Thai Chamber of Commerce
- Director, CPRAM Co., Ltd.
- Director, Counter Service Co., Ltd.
- Director, CP Retailink Co., Ltd.
- Director, Gosoft (Thailand) Co., Ltd.
- Director, MAM Heart Co., Ltd.
- Director, Dynamic Management Co., Ltd.
- Director, Suksapiwat Co., Ltd.
- Director, Panyatara Co., Ltd.
- Director, All Training Co., Ltd.
- Director, All Corporation Ltd.
- Director, 24 Shopping Co., Ltd.
- Director, Albuera International Ltd.
- Director, CP Foodlab Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2017)

Held personally	0.00120*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Kidsada Euapiyachart

65 years old

Position :

Secretary of Audit Committee and Vice President – Internal Audit

Education

- Master Degree in Business Administration, Southeastern University, USA
- Graduate Diploma in Auditing, Chulalongkorn University
- Bachelor Degree in Law, Thammasat University
- Bachelor Degree in Accounting, The University of the Thai Chamber of Commerce

Training by the Thai Institute of Directors Association (IOD)

2009 Company Secretary Program
2010 Audit Committee Program
2014 Anti-Corruption : The Practical Guide
2015 Anti-Corruption in Thailand : Sustaining the Momentum

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Year Past Experiences and/or Remarkable Position

1988 – 2000 Deputy Manager, Internal Audit, Charoen Pokphand Group Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.00085*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Wisade Wisidwinyoo

60 years old

Position :

Member of Executive Committee

Appointment Date :

February 17, 2015

Education

- Honorary Doctorate of Science, Rajamangala University of Technology Phra Nakhon
- Master Degree in Engineering, The University of Texas at Arlington
- Bachelor Degree in Engineering, King Mongkut's University of Technology Thonburi

Training by the Thai Institute of Directors Association (IOD)

2016 Ethical Leadership Program (ELP)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Managing Director, CPRAM Co., Ltd.
- Managing Director, CP Foodlab Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2013 – 2014 Senior Vice President, CPRAM Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.00017*
Held by spouse or minor children	0.0000005

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Taweesak Kaewrathtanapattama

61 years old

Position :

Member of Executive Committee
Senior Vice President – Accounting and Finance

Appointment Date :

November 13, 2017

Education

- Bachelor Degree in Accounting, Thammasat University
- Bachelor Degree in Law, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2007 Director Certification Program (DCP)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Director, CPRAM Co., Ltd.
- Director, Counter Service Co., Ltd.
- Director, CP Retailink Co., Ltd.
- Director, Gosoft (Thailand) Co., Ltd.
- Director, MAM Heart Co., Ltd.
- Director, Dynamic Management Co., Ltd.
- Director, Suksapiwat Co., Ltd.
- Director, Panyatara Co., Ltd.
- Director, All Training Co., Ltd.
- Director, All Corporation Ltd.
- Director, OHT Co., Ltd.
- Director, Siam Makro Holding (Thailand) Ltd.
- Director, 24 Shopping Co., Ltd.
- Director, Albuera International Ltd.
- Director, CP Foodlab Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2017)

Held personally	0.00019*
Held by spouse or minor children	0.00537

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Suraphan Pussadej

69 years old

Position :

Senior Assistant Chief Executive Officer –
Human Resource

Education

- Certificate Management Development Program, Kellogg School of Management, Northwestern University, USA
- Master of Art, Political Science, University of Detroit, USA
- Bachelor of Law (Honor), Thammasat University
- Barrister of Law, Thai Bar Association

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Chairman, Kanittapanitt Co., Ltd.
- Expert, Office of the Civil Servant Commission
- Advisor, Walailuck University
- Director, Panyatara Co., Ltd.
- Director, Panyapiwat Institute of Management
- Director, All Training Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2004 - 2005	Deputy Chief Executive Officer, S Khonkaen Public Co., Ltd.
1996 - 2004	Corporate Human Resource Director, Paper & Packaging Business, Siam Cement Group (SCG)

(%) shareholding* (as at December 31, 2017)

Held personally	0.00284*
Held by spouse or minor children	0.00111

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Chuan Nimkittikul

66 years old

Position :

Senior Vice President – Distribution Center Function

Education

- Master Degree in Business Administration, Thammasat University
- Bachelor Degree in Economics, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

2006	Finance for non-finance Director
2006	Director Certification Program (DCP)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Director, Dynamic Management Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2017)

Held personally	0.00811*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Suwit Kingkaew

68 years old

Position :

Senior Vice President – Sustainable Development

Education

- Master Degree in Business Administration, Kasetsart University
- Bachelor Degree in Economics, Kasetsart University
- Senior Executives on justice administration programme National Justice Academy, Office of Judiciary

Training by the Thai Institute of Directors Association (IOD)

2005	Director Certification Program (DCP)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Director, Panyapiwat Institute of Management
- Board Committee, Moral Extension National Committee

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2017)

Held personally	0.00321*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Kosa Pongsupath

66 years old

Position :

Senior Vice President – Information Technology

Education

- Bachelor Degree in Statistics, Kasetsart University

Training by the Thai Institute of Directors Association (IOD)

2016 Corporate Governance for Executives (CGE)

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Director, Gosoft (Thailand) Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2017)

Held personally	0.00358*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Chairoj Tiwatmuncharoen

63 years old

Position :

Senior Vice President – Operation

Education

- Master of Business Administration (MBA), Sripatum University
- Bachelor of Engineering, Prince of Songkla University

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Year Past Experiences and/or Remarkable Position

2007 - 2013 Vice President, CP ALL Public Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.00249*
Held by spouse or minor children	0.00307

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Skol Tejasataporn

64 years old

Position :

Senior Vice President – Purchasing

Education

- Bachelor of Arts in Economics, Thammasat University

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Year Past Experiences and/or Remarkable Position

2007 - 2013 Vice President, CP ALL Public Co., Ltd.

(%) shareholding* (as at December 31, 2017)

Held personally	0.00143*
Held by spouse or minor children	0.00072

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Vichien Chuengviroj

62 years old

Position :

Senior Vice President – Corporate Asset and Facilities Management

Education

- Master of Business Administration (MBA) – Marketing, National Institute of Development Administration (NIDA)

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2017)

Held personally	0.00007*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Mr. Yuthasak Poomsurakul

52 years old

Position :

Senior Vice President – Merchandising & Marketing

Education

- Master Degree in Marketing, Thammasat University
- Bachelor Degree in Business Administration, Assumption University
- Bachelor Degree in Economics, Ramkhamhaeng University

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

Present

- Director, CP Foodlab Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2011 - 2016 Vice President, CP All Public Co., Ltd.

(%) shareholding (as at December 31, 2017)

Held personally	0.00122*
Held by spouse or minor children	-None-

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Ms. Lawan Tienghongsakul

56 years old

Position :

Senior Vice President – Human Resource

Education

- Bachelor Degree in Financial Management, University of the Thai Chamber of Commerce

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Year Past Experiences and/or Remarkable Position

2012 - 2017 Vice President, CP All Public Co., Ltd.

(%) shareholding (as at December 31, 2017)

Held personally	0.00328*
Held by spouse or minor children	0.00004

Family Relationship among Directors and Executives

-None-

** Remark*
- Included Employee Joint Investment Program (EJIP)

Business Overview

CP ALL Public Company Limited ("the Company") was established in 1988 by the Charoen Pokphan Group to operate the convenience store business in Thailand under "7-Eleven" trademark. The Company was granted a license to use the trademark from 7-Eleven, Inc., USA. In 1989, the first 7-Eleven store in Thailand was opened on Patpong Road. Furthermore, the Company operates other related businesses such as bill payment collection service (Counter Service Co., Ltd.), manufacturing and sale of convenience food and bakery products (CPRAM Co., Ltd), sale and maintenance of retail equipment (CP Retailink Co., Ltd.) payment for products and services through smart cards (Thai Smart Card Co., Ltd.), information technology services (Gosoft (Thailand) Co., Ltd.), logistics services (Dynamic Management Co., Ltd.), marketing services (MAM Heart Co., Ltd.), educational institution (Suksapiwat Co., Ltd.), and training and business seminar services (Panyatara Co., Ltd. and All Training Co., Ltd.), including catalog sales and e-commerce business (Twenty Four Shopping Co., Ltd.), and etc. In 2013, CPALL acquired Siam Makro Public Company Limited operating membership based Cash and Carry trade centers.

Policy and Company Direction

The Company has strategies to build sustainable growth and profits, to create value-added products and services for customers and society through quality and effective work processes, and to support a learning culture and development of employees through the corporate philosophy, vision and mission as follows:

Corporate Philosophy

Through happy employees, we desire to see smiles from customers.

Vision

We serve convenience to all communities.

Mission

To create customer engagement with innovative products and services and to enhance good relations with community and society.

With regards to 7-Eleven store expansion, the Company planned to further open approximately 700 new stores annually, with the milestone of 13,000 stores in 2021. With the strategy of being the convenience food store for Thai people, we emphasize on serving ready-to-eat food products with freshness, cleanliness and safety, as well as developing of new products with business partners to offer varieties of new products which are exclusively available in 7-Eleven stores. At the end of the year 2017, the Company had a total of 10,268 stores nationwide. Of the total, 4,556 stores are in Bangkok and its vicinities (44 percent) and 5,712 stores are in provincial areas (56 percent). Regarding type of store, there are 4,530 corporate stores (44 percent), 5,017 Store Business Partner stores (49 percent), and 721 sub-area license stores (7 percent). At present, an average of 11.8 million customers visits 7-Eleven stores each day.

In 2016, the Company expanded another 726 new stores, both as stand-alone stores and stores located in PTT gas stations to reach more target customers both in Bangkok and its vicinities and provincial areas. At the end of 2017, the Company had 8,814 stand-alone stores (86 percent) and 1,454 stores in PTT gas stations (14 percent).

Significant Changes and Developments

In 2017, the Company's significant changes and developments are as follows :

- CPALL was admitted to the 2017 Dow Jones Sustainability Index (DJSI) Emerging Markets in the category of Food & Staples Retailing. CPALL is the sole Thai and Asian firm to be selected in this category as supported by our strength in strong customer relationship management, materiality, and human capital development.
- Private Sector Collective Action Coalition Against Corruption Council ("CAC") has certified CPALL as CAC Member Company. Nevertheless, the Company has signed agreement confirming its commitment to the Collective Action Coalition since 2014.
- The Board of Directors approved a capital increase amount USD 38 million in Lotus Distribution Investment Limited (LDI), totaling a registered capital of USD 244 million for the purpose of capital injection in indirect subsidiaries who operate commercial trading, investment, education and for business opportunity in the People's Republic of China. The details of the approval of capital increase in direct and indirect subsidiaries which ownership interests are maintained.
- In 2017, CPALL issued 4 times of Thai Baht debentures, which the proceeds were used to repay matured debentures amount Baht 25,937 million and exercise call option amount Baht 24,097 million. Information of the debenture issuances in 2017 as follows :

Debenture No. 1/2017	amount of Baht 4,500 million, tenor of 12 years, interest rate 4.70%
Debenture No. 2/2017	amount of Baht 3,000 million, tenor of 10 years, interest rate 3.96%
Debenture No. 3/2017	amount of Baht 18,000 million, consist of a debenture with tenor of 10 years, interest rate 3.50% amount of Baht 9,000 million and a debenture with tenor of 5 years, interest rate 3.10% amount of Baht 9,000 million.
Perpetual Debenture No.1/2017	amount of Baht 10,000 million

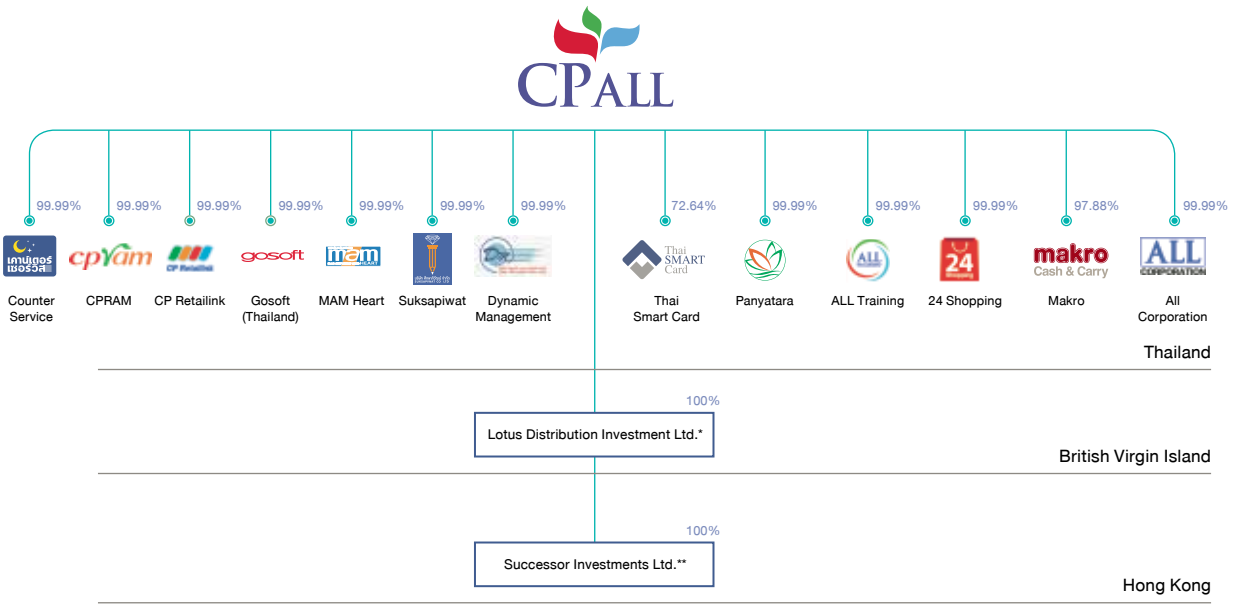
Hence, as at December 31, 2017, the Company offered and issued debentures of 12 times (included subordinated perpetual debenture) in the total of 34 tranches, which total up to amount of Baht 175,624.90 million as details below:

Group Structure of CP ALL Public Company Limited

As at December 31, 2017

The Company became a public company limited registration number 0107542000011 on March 12, 1999. As at December 30, 2017, the Charoen Pokphand Group held 36.87 percent of the Company's paid-up capital.

As at December 31, 2017, the group structure of the Company was as follows :



** As of October 31, 2008, the restructuring of supercenter business in the PRC was completed.*

*** LDI has invested 100% in Successor Investments Limited ("SI") on September 9, 2010*

Company History in Brief

1988
- Granted the 7-Eleven license from 7-Eleven, Inc., USA
- Established the Company to operate a convenience store business in Thailand under the "7-Eleven" trademark

1990
- Changed the Company's name from "C.P. Convenience Store Co., Ltd." to "C.P. Seven Eleven Co., Ltd." and opened the first 7-Eleven outlet at Soi Patpong, Bangkok

1994
- Established Counter Service Co., Ltd. to operate the business of bill payment collection service

1996
- Established C.P. Retailing and Marketing Co., Ltd. to operate the business of manufacturing and sale of convenience food and bakery products

1997
- Officially opened Bang Bua Thong distribution center

1998
- Established Lotus Distribution Investment Limited
- Became a public company
- Celebrated the 1,000th 7-Eleven store in Thailand

1999
- Established Retailink (Thailand) Co., Ltd. to operate the business of sale and maintenance of retail equipment

2000
- Joined with the China Retail Fund, LDC, a fund under the management of American International Group, to establish Yangtze Supermarket Investment Co., Ltd. to invest in the supercenter business in the PRC
- Established Shanghai Lotus Supermarket Chain Store Co., Ltd.

2001
- Incorporated Thai Smart Card Co., Ltd. with 8 alliances

2002
- Celebrated the 2,000th 7-Eleven store in Thailand
- Co-operated with PTT Public Co., Ltd. to exclusively open 7-Eleven stores in PTT gas stations

2003
- Established Gosoft (Thailand) Co., Ltd.
- Established MAM Heart Co., Ltd.
- Established Dynamic Management Co., Ltd.
- Offered shares to the public and listed the Company on the Stock Exchange of Thailand

2004
- Established Suksapiwat Co., Ltd.
- Awarded the Thailand Quality Class : TQC at the Thailand Quality Award 2004

2005

- Celebrated the 3,000th 7-Eleven store in Thailand
- Officially opened Panyapiwat Techno Business School

2006

- Officially opened Suvarnabhumi distribution center
- Officially launched "Smart Purse" card and became the first convenience store in Thailand to offer payment of products and services with Smart Purse, a digital cash card
- Established Panyatara Co., Ltd.

2007

- Established Panyapiwat Institute of Technology
- Disposed the assets and investment of Supercenter business in the PRC
- Changed the Company's name from "C.P. Seven Eleven Public Company Limited" to "CP ALL Public Company Limited" and changed trading symbol from "CP7-11" to "CPALL"

2008

- Increased registered capital in Thai Smart Card Co., Ltd. to Baht 1,600 million on March 28, 2008
- Completed the restructuring of supercenter business in the PRC on October 31, 2008
- Received the highest vote in Thailand for "Asia's 200 Most-Admired Companies" from The Wall Street Journal Asia's survey

2009

- Celebrated the 5,000th 7-Eleven store in Thailand and the 20th anniversary of operating 7-Eleven in Thailand since the first outlet at Soi Patpong, moving towards convenience food store
- Became the first listed company in the Stock Exchange of Thailand in establishing an Employee Joint Investment Program (EJIP)
- Opened a regional distribution center in Surat Thani

2010

- Officially opened the second chilled distribution center in Suvarnabhumi
- Awarded as the 1st winner among Retailers in Thailand presented by Euromonitor International, KPMG and Retail Asia Magazine
- Received the Best CEO Award and the Best CFO Award in the Service Industry at the SAA Award for Listed Companies presented by the Securities Analysts Association
- Completion of assets disposition regarding a connected transaction on the investment in convertible preferred shares issued by C.P. Lotus Corporation (C.P. Lotus) to C.P. Holding (BVI) Investment Company Limited (CPH). CPH paid cash in the amount of HKD 966.5 millions, equivalent to Baht 3,787.7 million on September 30, 2010
- Changed the name "Panyapiwat Institute of Technology" to "Panyapiwat Institute of Management" effective since November 23, 2010

2011

- Officially opened the regional distribution center in Khon Kaen
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region (Asia's Fab 50 Companies)

2012

- Officially opened the regional distribution center in Lampoon
- Changed the name "Panyapiwat Techno Business School" to "Panyapiwat Technological College" effective from January 4, 2012 onwards

2013

- Celebrated the 7,000th 7-Eleven store in Thailand
- Acquired Siam Makro Public Company Limited, membership based Cash & Carry trade centers
- Achieved an inaugural bond issuance of Baht 50,000 million, the biggest issuing size of Thailand corporate bond
- Awarded Best-of-the-Best Retailers 2013, Asia Pacific, presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG
- Received the CEO Econmass Award 2013 organized by The Economic Reporters Association

2014

- Celebrated the 8,000th 7-Eleven store in Thailand
- Successfully issued Debentures no. 1, 2 and 3/2014 totaling Baht 90,000 million
- Established Twenty Four Shopping Co., Ltd, operating on-line business
- Recognized by Forbes Magazine as the only Thai company to be ranked on the Forbes World's Most Innovative Companies
- Inaugurated the 16-storey building "CPALL Academy", Tara Park, Chaengwattana

2015

- Opened 705 new 7-Eleven stores, adding up to a total of 8,832 7-Eleven stores
- Successfully issued Debentures no. 1 and 2/2015 totaling Baht 33,000 million
- CPRAM Co., Ltd, CPALL's subsidiary, received the "Deming Prize 2015" presented by the Union of Japanese Scientists and Engineers (JUSE). CPRAM was the first manufacturer in Thailand and the world to receive this prize
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region in 2015 (Asia's Fab 50 Companies) for the five consecutive years
- Recognized by Forbes Magazine as the most innovative company in Thailand for two consecutive years (Forbes World's Most Innovative Companies 2015), which ranked no. 3 in Asia Pacific region, and no.17 in the world
- Received "Gold" certification from the Thai Green Building Institute
- Officially opened the regional distribution center for consumer products and temperature controlled products in Chonburi and opened the distribution center for frozen products in Chiang Mai

2016

- Opened 710 new 7-Eleven stores, adding up to a total of 9,542 7-Eleven stores
- Successfully issued Debentures no. 1 and 2/2016 totaling Baht 19,000 million to refinance debentures with dued maturity date, as well as issued a new subordinated perpetual debenture for the first time on November 30, 2016 amount Baht 10,000 million
- Established a company for research and development in food (CP Foodlab Co., Ltd). This new company is totally invested by All Corporation Co., Ltd.
- Established a demonstration school of "Panyapiwat Institute of Management"
- Awarded as The Top-Pick Brand among retailers in Thailand on the Brand Footprint Report and Ranking conducted by Kantar Worldpanel
- Awarded as Thailand's Most Admired Brand 2016 for four consecutive years from the research organized by BrandAge and selected as the leader among convenience store retailers
- Awarded as Marketeer No.1 Brand Thailand 2015-2016 in the convenience store category and frozen food product category under "Ezygo" brand
- Received Energy-Saving Building-1st Level Badge in school and convenience store category from Metropolitan Electricity Authority in MEA Energy Saving Building Award 2015
- Received Excellence in Consistent TPM Commitment 2015 for CPRAM Co., Ltd. presented by JIPM
- Received Ishikawa - Kano Award (IKA) from Dr. Noriaki Kano for CPRAM Co., Ltd.

2017

- Celebrated the 10,000th 7-Eleven store in Thailand
- Issued 3 times of debentures with a total amount of Baht 25,500 million and issued a subordinated perpetual debenture for the second time amount Baht 10,000 million in order to repay matured debentures amount Baht 25,937 million and exercise call option
- The Board of Directors approved a capital increase amount USD 38 million in Lotus Distribution Investment Limited (LDI), totaling a registered capital of USD 244 million for the purpose of capital injection in indirect subsidiaries who operate commercial trading, investment, education and for business opportunity in the People's Republic of China. The details of the approval of capital increase in direct and indirect subsidiaries which ownership interests are maintained
- Admitted to the 2017 Dow Jones Sustainability Index (DJSI) Emerging Markets in the category of Food & Staples Retailing. CPALL is the sole Thai and Asian firm to be selected in this category
- Certified as Private Sector Collective Action Coalition Against Corruption Council ("CAC") Member Company organized by Thai Institute of Directors (IOD)
- Awarded as Thailand's Most Admired Brand 2017 for five consecutive years from the research organized by BrandAge and selected as the leader in retail category.
- Received Energy-Saving Building Outstanding Badge and Energy-Saving Building Excellence Symbol in convenience store category and was certified as Energy-Saving Building-1st level in office building category (Tara Sathon Building) from Metropolitan Electricity Authority in MEA Energy Saving Building Award 2016

Nature of Business

Revenue Structure

The majority of the Company's revenue is derived from net sales and services, which can be categorized (before deducting connected transactions) into three groups as follows :

Business Unit	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Convenience Store (7-Eleven)	249,758	58	278,246	57	302,584	57
Distribution center based on cash-payment memberships and self-services (Makro)	155,914	36	172,792	36	186,757	36
Others/1	28,288	6	32,701	7	35,863	7
Total Revenue	**433,960**	**100**	**483,739**	**100**	**525,204**	**100**

/1 The category comprises CPRAM's business in production and distribution of instant food and bakery, CS' bill payment services, CPR's business in distribution and repair services for retailing equipment, and revenue from other subsidiaries.

Convenience Store

Nature of Products and Services

The Company is the sole operator of 7-Eleven convenience stores in Thailand, being granted exclusive rights from 7-Eleven, Inc. to conduct business under the Area License Agreement.

Over the past decades, the Company has managed its convenience stores through its network scattered in different areas, namely, residential areas, offices, academic zones and gas stations, covering every province across the country. In 2017, the Company has a total of 10,268 stores.

Types of 7-Eleven Convenience Stores

7-Eleven convenience stores can be categorized into three types based on ownership as follows :

(Unit : stores)	2015	2016	2017	No. of new store openings in 2017
Corporate Stores	3,908	4,205	4,530	325
Store Business Partner Stores	4,257	4,645	5,017	372
Sub-Area License Stores	667	692	721	29
Total	**8,832**	**9,542**	**10,268**	**726**

1) Corporate Stores : The stores are wholly-owned and managed by the Company. The Company invests in retailing equipment, store decoration and inventory as well as manages the stores.

2) Store Business Partner (SBP) Stores : The Company offers an opportunity for any person including employees to operate their own 7-Eleven stores under a modern system. The Company will provide close support in operating the business, knowledge and understanding of management, principles of product assortment, as well as a financial system. Other supports are regular nationwide sales promotion and advertising plans. In addition, the Company steadily sends employees to advise new management techniques. Store business partner can either choose a new location or an existing store. In case a store business partner has his own location, the Company will help with the feasibility study without any charges. The term of the store business partner agreement and the benefits depend on the type of SBP.

3) Sub Area License Stores : The Company engages in sub-area license agreements with local entrepreneurs to operate 7-Eleven stores in the territory as specified. Currently, 4 sub-area license agreements operate their business in Phuket, Yala, Chiang Mai and Ubon Ratchathani. The Company will provide assistance and support under the agreed conditions.

Product Mix of 7-Eleven

The Company's major products are categorized into two groups. The distribution of daily-life consumer products comprises foods and beverage, accounting for approximately 70%, mainly including drinks, ready-to-eat foods and fruits, bakery products, desserts and All Café, etc., and non-food products excluding phone card, accounting for approximately 30%, mainly including personal care products and household products, etc.

The Company has studied and monitored population and social changes as well as customers' changing needs and expectations. Consumer behavior and lifestyle of each target group are vital to making plans on products and services, marketing, research and development, and selection of good-quality products and services to satisfy the demands of different target groups in each area or location, in keeping up with new trends and market changes.

At the same time, the Company has continually developed and improved its products and services to provide convenience and cater to daily activities of customers such as bill payment. The Company has continuously expanded its alliance partners to cover more vastly and more integrally. It offers payment service through more than 600 vendors, providing over 1,300 types of services. Furthermore, mobile application "Counter Service Pay" has been added as a new payment channel to better facilitate its customers. The service of storefront ATM machines covers most of total 7-Eleven stores nationwide. Moreover, the Company has increased payment options and convenience in product and service payment through Alipay, UnionPay, credit card and True money wallet, an e-wallet mobile application. It also provides a service for customers to drop off and receive products at stores.

Nature of Customers

The Company provides convenient services to customers through its store network, scattered in every community. The Company's customer groups are diversified, including people of every gender and age with different occupations who live and engage in daily activities near 7-Eleven stores. On average, a total of 11.8 million customers nationwide per day purchased products and services from 7-Eleven stores in 2017.

Customers who shop at 7-Eleven stores are varied depending on age group and store location and, thus, have different demands for products and services. Consequently, the Company has attempted to assort products appropriate for customer groups in each store location. Plans are also made to prepare sufficient products and services for different time periods when customers come in to shop. Each store has different peak sales periods - daytime, nighttime, working days, weekends, or even holidays or important events in each area.

Strength and Management Excellence

For over 30 years, 7-Eleven stores have become a part of Thai consumers' life. It provides customers with convenience in purchasing through its store network of 10,268 stores that scatter in every community. The Company has continuously expanded its store network to best cover and reach the customers' demands. This causes the Company to have the most market shares in retail business of convenience stores in the type of chain store. In 2017, the Company has expanded another 726 stores. The total stores in Bangkok and its vicinities are accounting for 44% and those in provincial areas are accounting for 56%.

New stores have been increasingly expanded in strategic locations to cover more target groups such as stores in condominiums, offices, universities and high-income customer potential areas. Additionally, the Company has prepared for its readiness to serve new customer groups which are tended to increase in the future, for instance, elderly people, tourists, expatriates working in Thailand, customers residing along country borders, etc. The Company has also developed and renovated existing stores to keep abreast of modernity while maintained the quality of its new store growth.

Another strength of the Company is the number of customers. More than 11.8 million customers shop at 7-Eleven stores per day. The Company focuses on studying and understanding customer insight for making plans and modifying strategies to select and develop potential, appropriate products and services which can respond to changes in a timely manner and in line with customer behavior of each group and in each location. In addition, the importance of developing and elevating the quality of service mind and signature service has been highlighted. The service-mind culture has been embedded and enhanced among employees at all levels, under the concept which believes that excellent service provision starts from happy employees who enjoy working and gain positive service mindset. This will result in a delivery of impressive experience, differentiation and long-term engagement with customers by warm service and friendliness of our employees.

Furthermore, the business alliance network, within the Charoen Pokphand Group which covers diverse businesses in many countries and global 7-Eleven network, enhances the capability and efficiency in managing its stores by sharing knowledge and best practices among each other, to foster the business based on customers' demands and deliver good-quality products and services at reasonable price, which creates differences and increases sales opportunity.

Additionally, the Company has its own large distribution centers throughout the country as well as modern, efficient management system, ensuring store branches to receive goods completely in a timely manner and prevent from losing sales opportunity. This enables the Company to maintain the quality of its goods until they reach customers' hands. Hereby, the Company is a retailer owning the largest distribution center area in the country.

Market and Competition of Convenience Store Business

The year 2017 was a challenge for the business sector. Despite the sign of continued economic growth based on the recovery of export and tourism, consumers spend conservatively due to the increase of household income which was slower than that of household expense, higher cost of living, continued liabilities and low agricultural products' price. These factors influenced the government to kick off the tax deduction measure to stimulate the consumption or the "Shop Chuay Chart" economic stimulus campaign during 11 November to 3 December 2017 to inject more cash into the economic system.

Nonetheless, although several factors affected the retail business in 2017, retailers were managed to adjust themselves and improve new products and services at all time to address dynamic changes of customers' demands and to suit the state of economic slowdown. Thai Retailers Association estimated that Thailand's overall retail business increased by 3.4% and overall retail market amounted to Baht 3.5 trillion in 2017.

At the end of the year 2017, the Company had a total of 15,883 convenience stores in the chain store format, increasing by 1,036 stores. Most of the increase came from 7-Eleven store expansion while the other operators mostly concentrate on existing store renovation. The Company's market share in the chain store business was accounted approximately for 65%. Other retailers, namely, Tesco Lotus Express and Family Mart, were accounted for 10% and 8%, respectively.

Numbers of Convenience Stores, both Stand-alone and in Gas Stations

(Unit : stores)	2015	2016	2017
Stand-alone convenience stores	11,721	12,410	13,226
• 7-Eleven stores	7,597	8,210	8,814
• Others	4,124	4,210	4,412
Convenience Stores in gas stations	2,294	2,437	2,657
• 7-Eleven stores	1,235	1,332	1,454
• Others	1,059	1,105	1,203
Total Convenience Stores	**14,015**	**14,847**	**15,883**

Remark : Convenience outlets in chain store format
Source : Compilation by CP All Plc

In 2018, the economy is tended to increase a little by 4.1% in accordance with the trend of global economic recovery, which supports the improvement of export and tourism. In addition, it is expected that the tax stimulus measures will reinforce tourism, seminar and training in secondary touristic provinces. Concerning the governmental

sector, the investment especially in the infrastructure construction and the clear intent of political election will establish confidence among business sector and stimulate relevant investment in the business sector. Furthermore, the minimum wage increase will stimulate the purchasing power and confidence in purchasing to be at higher level.

Thai Retailers Association forecasted that overall retail market value in 2018 will increase by 3.6-3.8% and worth approximately Baht 3.6 trillion. Nonetheless, the capability to continually maintain the expansion of retail business growth in 2018 depends on the ability to respond and self-adjust to changes, especially towards the digital and cashless society, in which payment will be made through digital platform. Consumers' behavior and decision will change in the need of convenience, speed, information accessibility, ability to purchase and pay for products and services anywhere, anytime and any equipment at their convenience. E-commerce market and online market have started to play a key role and been integrated to existing offline stores, as a faster and more convenient channel of purchasing and payment, to deliver good and impressive experience to customers.

Strategy and Direction for Business Operation

The year 2017 was a challenge for the Company in many perspectives due to dynamic and violent changes in retail business. Main factor was the technology advancement, which played an important role in providing fast and convenient accessibility to products information, purchasing and payment channel, and new, diverse business platforms. To keep up with the possible changes, leading to business opportunities, the Company has defined short-term and long-term strategies to cover, align with and respond to current and future consumers' way of living and expectation. This is expected to cope with more violent competition, keep and increase customer base in the existing market, and expand to reach more new target groups. At the same time, the Company shall consistently develop and elevate the level of operation and management to gain efficiency, including cost management and improvement for fast and good-quality working procedures based on a customer-centric scheme, as well as conduct its business considering all groups of stakeholders in order to grow sustainably in the future to come.

Strategy to Respond to Consumers' Change, Leading Towards the Sustainable Growth

1. Strategy to expand and develop stores, covering and addressing the customers' demands in each location

The Company focuses on expanding stores for more coverage to increasingly provide customers with convenience. Both existing store renovation and new store expansion are in the format that can efficiently facilitate its customers in accordance with each group's behavior and lifestyle. The Company has targeted to open 700 new stores per year, to achieve 13,000 stores by 2021.

Efficient store expansion on strategic locations helps maintain the market share firmly. The main goal of store network expansion shall align with the expansion of urban communities, both in primate and secondary cities in accordance with the expansion of infrastructure, touristic places, and other strategic locations through business partnering with alliances, including real estate developers, hospitals and academic institutes, for instance, to open new stores in condominium, offices, universities and high-income residential areas.

To address the customer behavior of personal car commuters, urbanization and service area expansion to reach more customers, more stand-alone stores are expanded with the provision of parking lots. In 2017, the Company had a total of over 2,000 stand-alone stores, with an increase in store size for more sales area and product variety, to gain more business opportunities.

Moreover, the Company highlights the importance on new innovations by integrating the technology into its stores to create fast and convenient purchasing experience, to address young generation's lifestyle, and to keep abreast of the digital era. Model high-technology stores equipped with digital advancement have been developed, with the integration of innovations, technology, facilities, digital menu board, self-checkout machines, 24 shopping kiosks, together with environment-friendly equipment. An example of the model store is the Panyapiwat Institute of Management (PIM) store, which is Store No. 10,001.

2. Product strategy, especially food and beverage to gear towards fully 24-hour ready-to-eat convenient stores

One of the Company's missions is to help make the customers' life easier and more convenient. It, thus, gives an importance on studying and understanding customer insight to select and develop products in line with the market direction and in keeping up with social changes as well as each customer group's behavior in each location, to provide customers with diverse products and services. This helps address and solve the customers' life more completely. In the meantime, to enable 7-Eleven to become customers' top-of the-mind food and beverage destination, the Company has developed food and drinks to be outstanding from those of competitors and increase worthiness, with a focus on improving good taste, benefits and nutrient value to foster good health and happiness among Thai people. Besides, more variety of menu has been added especially to healthy food and drinks, such as ready-to-eat vegetables, fruits, veggie and fruit juice and low-calorie food, to satisfy health-conscious consumers and Thai aging society.

In 2017, the Company expanded 7-Eleven stores distributing chilled meal to address more customers, covering over 10,000 stores. This can serve customers' demands for as many as 7 meals a day. Moreover, temperature-controlled distribution centers were expanded to different regions to align and cover more sales area for the ability to deliver quality products fast to the hands of customers. The Company also selected ready-to-eat main dish, snacks, desserts, Thai desserts and fruits to offer a wide variety and add more options to customers. Regarding coffee and fresh bakery, the Company increased the number of freshly brewed coffee corner "All Café" and "Kudson" to feature in more than 4,700 stores nationwide. Concerning freshly prepared meal, food places are located in more than 200 stores in Bangkok and provincial area. Furthermore, more menu was introduced to suit the consumers' demands. Halal food were distributed in over 450 stores, with the target to amplify the formats and numbers of distributing stores in 2018 to serve the growing number of Muslim customers and travelers.

Not only has the Company focused on offering product variety, but controlling food safety standards has also been put on top priority. The Company has developed the efficiency increase system in supply chain system and the traceability, to elevate the product quality in every process ranging from the production, transportation and store management, ensuring that customers receive fresh, quality products in every meal through all 7 days.

Apart from an emphasis on food and drink products, to address the customer behavior based on health and beauty concern as well as the increasing number of elderly people in Thai society, the Company focuses on the selection of a wide variety of health and beauty products, including herbal products. All Beauty Corner was increased to cover over 5,000 stores. First-aid drug and health product corner "eXta" was also added in more than 6,800 7-Eleven stores nationwide, with an aim to distribute quality drug with easy access for everyone and be a reliable drugstore in the community, to foster good health among Thai people throughout the country.

3. Digital strategy to enhance operational efficiency and create good experience for customers

The Company is aware of and monitors the fast-pacing change of technology which enters into consumers' daily life and impacts on their decision unceasingly. This is integral to plan making for self-adjustment. Technology is incorporated to bring about new business opportunities. It also used as a tool to reach and understand customers' needs, an additional channel for customers' convenience, and a support to get the work done faster and more convenient.

Studying and understanding the customer insight were consistently conducted through direct and indirect channels and approaches, including research conduct, listening to the voice of customers through different channels especially on the internet and social media, and customer behavior observation. The information obtained is brought to conduct the in-depth data analysis, utilizing suitable technology to achieve fast and accurate output, leading to business design and modification to address the digital society. Purchasing channel, which was previously available through physical stores, is modified to provide customers with more options to order and purchase goods through various channels, ranging from e-commerce, catalogue to phone, all of which are operated by 24 Shopping Company Limited and utilizing its store network covering over 10,000 branches as drop-off point where customers can pick up their ordered products at the shop for 7 days 24 hours. This creates new experience among customers. The Company has targeted to develop information technology system and procedure to manage diverse channels by incorporating into the omni channel. This creates more choices and convenience for customers and helps them to easily access the Company's products and services anywhere, anytime, through the fully integrated offline and online channels (O2O).

Besides, the Company has increased the communication channels and conducted digital marketing activities and promotion through mobile application, to enhance customers' engagement. Digital communication channels were also added to provide information and receive customers' opinions through Facebook "7-Eleven Thailand", Line application and Youtube of "7-ElevenThailand".

In regard to financial services, provision of more options for bill payment has always been highlighted. Especially in the present time beginning to enter the digital and cashless society, the Company has developed the form of payment inside 7-Eleven stores, utilizing barcode through mobile payment by Alipay Wallet and True Money Wallet. At the same time, the Company has added the payment channel via credit cards, to facilitate and motivate customers having higher expenditure per bill as well as increased tourists each year, especially Chinese tourists.

4. Logistics strategy to improve the efficiency in product delivering and prepare for the expansion into the digital era

To ensure that stores receive its goods completely, timely, and without losing any sales opportunities as well as maintain its product quality until reaching the hands of customers, the Company emphasizes the significance of expanding distribution centers appropriately in numbers and locations, in order to be capable of distributing a wider variety of products in terms of types, service providing locations, diverse channels, both online and omni

channels, and product delivery, either to stores or customers' home. In the meantime, operational efficiency and effectiveness of relevant parties are also enhanced throughout the supply chain by modern and more efficient management system. Automation technology system is brought to help improve cost management, reduce losses and notify every movement, and monitor the operational processes to deliver the products through transport routes correctly and precisely.

5. Strategy in sustainability by operating business based on good governance and being a good corporate citizen

The Company recognizes that, for being a quality, sustainably growing corporate, a fundamental factor is to establish confidence and trust among the society, community and stakeholders by operating business with a focus on sustainable development in all dimensions, ranging from economic, social and environmental aspects, on a basis of governance principles, transparency, anti-corruption. The Company, thus, embeds the awareness among all employees to do their job with honesty, ethics, and concerns on the community, society and environment, by creating shared value (CSV) throughout the operational processes.

In 2017, the Company was certified by the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) as well as accredited as a leading company in the Dow Jones Sustainability Indices (DJSI), Emerging Markets, Industrial Sector, Food & Staples Retailing 2017. The Company is the sole company in Thailand and Asia being qualified in such industry.

In addition to the mentioned principal strategies, the Company remains emphasizing the establishment of fundamental basis and developing supportive factors promptly to foster firm and sustainable business growth as follows :

1. Strategy to establish business alliances for collaboration and business advancement

As business alliances throughout the supply chain are vital to business strengthening, the Company places high importance on building a network of alliance and collaboration at different levels, including alliance with the Charoen Pokphand Group, owing a diverse range of business, and global 7-Eleven network, to exchange their know-how and best practices, leading to the increase in capability to satisfy customers' demands and the selection and development of different, varied products and services. The Company has also developed the capability of business partners, including producers, store business partners, logistic companies and minor entrepreneurs through knowledge sharing, consultancy and training to drive their business in keeping up with the Company's growth. Additionally, the Company has stipulated the policy to enhance and promote the products from small and medium-sized enterprises (SMEs) producing quality, standardized products which gain popularity, such as processed fruits, drinks, bakery and beauty products, for instance. The Company will be a distribution channel for those enterprises, of agricultural products and processed agricultural products in particular, with an objective to help increase the value of agricultural products and better the farmers' standard of living.

2. Strategy to instruct people for the preparedness concerning high potential personnel and organizational engagement as readiness for the business expansion

Bearing in mind that personnel are the heart of the business and sustainable growth, the Company has highlighted on people development based on the business operation under the corporate philosophy believing that "We wish smiles from customers, brought by happy team." Thus, the Company is committed to develop the capability of the employees to be good people equipped with great ability, create teamwork environment, and learn to understand the differences of people in each generation, so that employees at all levels can work together harmoniously. Furthermore, employee engagement survey is conducted yearly to listen to customers' opinions and suggestions. Information obtained from such survey is brought to develop and improve working procedures, welfares, career path planning for employees at each level. This sustainably enhances employees' love, engagement, and pride in the Company. It is then reflected through further delivering the value and services with happiness to customers.

To build and develop its personnel to gain capabilities and be able to respond to the country's retail business expansion, the Company has initiated and consistently reinforced the education and development for qualified personnel through dual vocational system or the dual system of learning and training, in conjunction with the Office of the Vocational Education, through Panyapiwat Technological College, offering the education at the level of vocational diploma, and Panyapiwat Institute of Management, offering the education at the bachelor, master and doctorate degrees, in both Thai and international courses. This can be cited that the Company takes an important part in developing the country's education system, particularly the courses in retail business management to be up-to-date and well address changes of consumers and modern businesses.

Due to fast-pacing changes in todays' world, the Company recognizes that skills necessary for living and working in the future must be prepared and formed since one's childhood. In 2017, Pinyawat Institute of Management Demonstration School (Satit PIM) was opened for the education of secondary school (M.1-M.6). The teaching method is based on a student-centric approach, learning by true experience, and knowledge linkage for daily life applies. English-led instructions in three major subjects are mathematics, science and English, to groom Thai children as the world's citizen in the 21st century.

3. Preparing infrastructure and information technology system as readiness for business expansion

From the target to open approximately new 700 stores per year, to achieve 13,000 stores by 2021, it is crucial to prepare for readiness in terms of infrastructure, store standards to reduce construction period and costs, asset management system, and store and equipment maintenance for being always new and ready to use. Moreover, the information technology infrastructure must also be prepared to keep up with business changes over time, in terms of the system and skillful personnel, to ensure that working processes can run smoothly, fast, correctly and efficiently. The Company must also develop and improve working processes to be prepared for future business expansion.

Amidst the technological advances in today's business world, policy on information technology is fundamental to the Company's business operation, to control, audit and oversee the working processes based on information technology system. This ensures transparency and traceability in every step of the work.

4. Development of innovation excellence for being a quality organization which grows sustainably

Among dynamic changes nowadays, innovation is the heart of the business. It creates differentiation and business advancement to strive firmly and sustainably. The Company, therefore, enhances and drives the "Culture of Innovation" within the organization. The Company places high importance on learning and developing new creative ideas unstoppably, to fabricate valuable innovations which enhance maximum efficiency and effectiveness of the business operation. The Company focuses on internal development of new innovations, by reinforcing all employees to participate in creating innovative procedures, products and business concepts. Such knowledge is disseminated through contests of the Innovation Days and the Process Excellence Award, both of which are held yearly. Besides, the Company also reinforces external innovations. The collaboration between CPALL and 11 alliances from government and business sectors, including researchers and the Incubation Center on Business Innovation of several universities throughout Thailand, is formed to provide Thai business partners and SMEs with opportunities and channels to showcase their innovative, quality products through 7 Innovation Awards in the "Thailand Synergy for Thai SMEs". This is a means by which each company converts its own knowledge to create added value for the benefit of the economy, the society and the nation.

Delivery of Products and Services

The Company strives to continuously develop its value chain to deliver the best to customers. In terms of logistics development, in 2017 the Company has a total of 7 regional distribution centers for consumer products, 9 regional distribution centers for temperature-controlled products and 2 regional distribution centers for frozen products, making it the retailer with distribution centers covering the largest area in Thailand. The Company continues to give importance to increasing the number of distribution centers to support store expansion. The Company focuses on cost management and improvement of product delivery using automated technology to deliver products correctly and accurately to ensure product quality from manufacturers until reaching consumers.

Cash and Carry Business

Types of Products or Services

Siam Makro Public Company Limited is the operator of membership based Cash and Carry Trade Centers, registered under the name of "Makro", distributing consumer products to customers nationwide. Its target groups are small and medium-sized enterprises, namely, retailers, HORECA, institutions and business service providers. Makro conducts its business upholding customer-centric approach, emphasizing on satisfying different customers' demands of over 3 million members. This results in prominent and firm growth of Makro's business in Thailand, gaining trust from enterprise customers as their business partners for over the past 28 years. Makro still places importance on self-adjustment to keep abreast of the modernity at all times, to continually develop products and services to truly meet the professional business operators' demands which dynamically changes in the digital era. The goal is to uplift the living quality of related parties, wherever Makro's business has been operated.

At the end of 2017, Makro had a total of 123 stores nationwide, including 79 Makro trade centers, 19 Makro food services stores, 12 eco plus stores, 5 Makro food shops, and 8 Siam Frozen shops. The first branch of Makro

trade center was opened in Cambodia. Additionally, Makro operates import-export business and distributes frozen and refrigerated food along with services in storage and delivery in Thailand, Vietnam, Singapore, Hong Kong and United Arab Emirates. It also operates other related businesses and support its core business through its subsidiaries' business operation.

Nature of Customers

Currently, Makro's core customer groups consist of :

- Retailers : Retail operators selling consumer products that are scattered across the country, including grocery stores, minimarts and stationery stores, etc.
- HoReCa : Operators of Hotels, Restaurants and Catering, including small restaurants, food stalls, and food carts. Most are small and medium-sized operators that sell a variety of foods
- Service professionals : Government agencies and various professional businesses including companies, service offices, government organizations, schools, beauty parlors, printing houses, laundry shops, and general operators in the service sector

Future Business Plan of Cash and Carry Business

Amidst the increasing number of competition and dynamic changes in consumer behavior, Makro has defined the strategic plan to drive fast and firm growth of Thailand's economy. Makro has adopted a customer-centric strategy and searched for new opportunities for overseas investment with the vision of "becoming the number one supply provider of fully-integrated food businesses for professional enterprises". It is committed to developing its outstanding capabilities to achieve its goal of being "partner…for the better life" under the collaborative synergy which supports knowledge, expertise and experience within the Charoen Pokphand Group. Makro strongly believed that it will drive business to grow firmly and sustainably in the future. Furthermore, Makro is committed to the development of new store formats, and new products and services as well as continued with development projects such as extending new operating systems to Makro store level, developing platform for e-commerce and full preparation for overseas expansion such as India and the Republic of China, etc. After the circumspect feasibility in overseas business conduct, including investment law and behavior culture in the targeted countries for instance, Makro focuses on searching for local business alliances to create competitive advantage for fast and firm growing business development. It also recruits and trains local personnel for prompt operation, with the objective of supporting the main business coupled with building a strong foundation for the organization.

With regards to food service, Makro has established the Food Service APME Business Group, to drive the food service business of Makro's subsidiaries in six countries, namely, Thailand, Cambodia, Vietnam, Hong Kong, Singapore and United Arab Emirates to incorporate its business network into one synergy under the brand "Siam Food Service" in Thailand and "Indoguna", gaining long reputation and strength in owned brand which is well-known in overseas market and represents premium products.

Please see additional details in Form 56-1 of Siam Makro Public Company Limited under the section 2 : Nature of Business.

Risk Factors

Risk from Distribution Center and Logistic Error or Problem

Most of the products sold in 10,268 7-Eleven stores nationwide are delivered via the Company's distribution centers, with more than 2,000 manufacturers and suppliers delivering their products to the distribution centers according to the given delivery date. Therefore, the distribution centers play a vital role in 7-Eleven's business in distributing products to stores across the country in a correct, complete and timely manner. Errors or problems at the distribution center and disruption of transport route due to floods, fire, communication system and information technology failure, severe accidents, or any force majeure from the supply chain system from the manufacturer to distribution centers and then delivery at the stores, will have an adverse impact on the sales of all 7-Eleven stores and business opportunity, and may negatively affect the Company's operating performance.

The Company's Risk Management

The Company has continuously reviewed its annual strategic plan in order to support the growth of new store openings to potential areas nationwide, together with an increase in same store sales growth. For the distribution centers, the Company has continued to evaluate the adequacy of the capacity in line with the growing sales turnover and new store openings, including the crisis management in regard of the distribution center where one interrupted. In case additional distribution center needed, the key consideration is a prime location which is in the safety area and be able to operate at the most efficiency of delivery to store. Distribution centers should be distributed along the metropolitan areas and provincial areas across the country in order to diversify operating risk and to support store expansion in the future.

The Company has prepared and practiced the Incident Action Plan and conducted drill regularly planned to be ready to deal with various crises through 24 hours such as flooding, riots, fire, and blackouts. There is also a Crisis Assessment Team (CAT) which is responsible for providing warnings about the crisis to various departments in the risk areas so that they can prepare to deal with the crisis in a timely and appropriate manner. Business Continuity Management (BCM) includes using nearby distribution centers to deliver products, transporting products using large trucks, using alternative routes, finding alternative products, and establishing temporary distribution centers.

The Company has also collaborated with key suppliers to develop a Business Continuity Plan (BCP) to prepare products and deliver them during crisis to minimize the negative impact on the sales revenue. In addition, the Company has appropriately bought insurance to compensate for loss and to alleviate the cost burden that may occur in the future, covering distribution centers, stores and subsidiary companies.

By doing so, the Company believes that the distribution centers are sufficient to support store expansion plans in the future. On the other hand, the distribution centers can function as a secondary distribution network with each other across the country. In case if any place where a disruption or major transportation routes were not passable. The network can back up to replace at the most effectiveness.

Risk from Information Technology Error or Problem

The Company has invested in important information technology systems, comparable to the brain of the business, for ordering and communicating to all units in the supply chain to effectively deliver excellent services and create smiles for more than 11.8 million people per day. These systems include the store point of sale system, Call Center, ordering and delivery system, and etc. Therefore, an error or problem in the information technology systems will affect the business operations and ability to serve customers at 7-Eleven stores and may negatively affect the Company's operating performance.

The Company's Risk Management

The Company recognizes the importance of information technology in both the store and office level, including the supply chain systems being operate effectively with the continuity of business operations. The Company also reviewed its annual strategic plan in order to manage the software system in accordance with the requirements of the business process of software engineering with reference to international standards which aimed at developing technology to improve processes and assets in the long-term. Business development unit can collaborate with global partners to update technology system to accommodate the changing trend of the market.

In regard to managing of the hardware, the Company values the importance of the 2 IT centers located in different areas – the Silom IT Center in Bangkok and Chaengwattana IT Center in Nonthaburi Province. These 2 IT centers support each other in case of any problem with one of the centers and ensure that in case of the worst unexpected situation happening to one of the IT centers, the IT system will be able to work as normal within an hour.

The Company has a full range of security system for its 2 IT centers, beginning with the design of their safety in every section under the proper environment. A backup generator systems, UPS, smoke and fire detection systems, intrusion detection systems and inhibit mobility, backup air conditioning, and power feed system pairs each, including system maintenance have been also installed. In addition, the Company set up an expert team to stabilize and secure IT system throughout 7days/ 24 hours to be ready for its operation continually. In addition, the Company regularly provides training and drills to related BCM team, which the training will be given scenarios that could cause crisis to IT center on a variety of different situations to ensure that the delegated team is comprehend and able to follow all the business continuity management (BCM) efficiently and timely. Furthermore, apart from regular check up by the internal audit team, an external audit company tests on the IT system annually for the highest assurance of the Company's information technology system.

Risks from Laws and Government Policies

The Company manages the convenience store business and various supporting businesses under the CP All Group in Thailand. Its management is transparent and has always strictly complied with the government laws and policies such as the Consumer Protection Act, Price Control Act, Food and Drug Act, labor laws, and other by-laws of each locality. The government or government agencies may change laws, rules and regulations to benefit competitors and stakeholders more. This may materially affect the Company's strategy, goals, and business plan and the Company's performance may not achieve the set goals.

The Company's Risk Management

The Company has conducted business with taking into account the interests of all stakeholders. In the management level, the Sustainable Development Committee and the Corporate Governance Sub-committee are responsible for monitoring that the Company operates its business with all stakeholders honestly and transparently in line with the principles of good corporate governance. Therefore, if there is any change in the laws relating to the business, the Company will be able to promptly adjust to the situation and control the impact to be at acceptable levels according to the organization's risk management.

In addition, the Company has established Legal and Compliance unit to oversee the implementation of laws and regulations to which the Company and the working teams, as well as the working units that are specifically established

to oversee various stakeholders. These include the Product Liability Committee to look after the benefits of consumers and store business partners. The Company also has the Safety, Health and Environment Committee to take care of environments which may impact on society, communities around the stores and office, not to mention, the Call Center who provides advice and assistance regarding the Company's activities at timely manner, 24 hours.

Emerging Risks

Risk from Disruptive Digital Technology

Digital Technology has had an ever-increasing role in our daily life and activities, as well as in the conduct of business activities and in the fast-changing consumer needs. This is especially so in the era of increased business competition that is driven by "innovation" after the Government has announced and initiated its "Thailand 4.0" strategy; such as: making use of digital technology applications in providing our logistics services and in the on-line distribution of our goods and services. Thus, in the long-term, such changes will resultin various risks that may affect our business model and the conduct of our business activities together with our existing distribution channels; so that the 7- Eleven stores may lose their unique competitiveness,as well as there may be opportunities to establish new businesses that will create addedeconomic value for our organization.

The Company's Associated Risk Management Measures

The Company regularly reviews our annual strategies, in order to support the planned business growth and also to define various strategies in preparing the Company to be ready for the imminent digital transformation so as to increase customer convenience in accessing and purchasing the required products and services offered by the Company beyond merely buying goods at our stores. This is to be achieved by developing the retailing processes and procedures into an 'omni retail channels platform; and by coordinating the various established channels into a uniform customer experience, so that our customers will be able to easily access and purchase all goods and services offered via any selected retail channel and at any time as required. This is also achieved through combining retailing channels that are both offline (through the stores outlets) together with those new online commercial channels (through new electronic retailing channels), that the Company has developed and operate through our Subsidiary, Twenty-Four Shopping Co., Ltd, so as to facilitate and enhance our customer services. This Subsidiary also operates online Digital Marketing activities in marketing various products and in promoting these products and services through a proprietary Application available on smartphones, that is designed to establish enhanced customer relationships as well as to disseminate information and news and also to receive feedback and comments from customers via the "7-Eleven Thailand" Facebook and Line platforms. Furthermore, the Company has also developed a payment method for goods purchased in the 7-Eleven stores via the Mobile Payment platforms of Alipay Wallet and TrueMoney Wallet. Additionally, the Company has increased other payment methods in using credit cards, so as to enhance customer convenience and to increase purchases by customers who have high purchase values as well as for the Chinese tourists.

The Company has also tested its delivery services for small packages together with for those goods ordered online on leading retailing websites via our nationwide stores network; whereby customers can take delivery on a 24-hr basis under our "At All" services, managed by Dynamic Management Co. Ltd.

Our Digital Presence Risk

From a 2017 survey in 238 countries worldwide, it was found that there are 3,773 million internet users worldwide equal to 50% of the total world population; and that there are 4,917 million smartphone users-equal to 66% of the total world population, which has resulted in 2,549 million people equal to 34% of the total number of internet users worldwide using various social media platforms on their smartphones. Additionally, the result of this global survey indicated that Thais ranked 7th worldwide in the use of social media, which equals to 67% of the total population, and that this social media usage totals an average of 2.48 hours per day ranking 12th worldwide. As such, the future fully-connected world will unavoidably result in our digital life to be connected to our actual daily life, whereby 80% of the total population will have a digital presence in the internet world. This has resulted in the Company having to think about how to position itself in the digital world with regards to researching and sharing information, to expressing opinions, to researching for and being a source of information, or even with regards to establishing and maintaining digital relationships as in the real world. If the Company is not able to manage its presence and identity within the digital world in an appropriate and effective manner, it may lose its competitiveness; while this may also be an opportunity to establishing new business activities that will create added economic value for the organization.

The Company's Associated Risk Management Measures

The Company places importance on good corporate governance, whereby it has put in place various measures to ensure strict compliance to the established policies on good corporate governance, business ethics and required good business conducts, as well as on anti-corruption together with various associated operating guidelines. Additionally, the Company is committed to promoting and developing the Company to be an effective organization that upholds its commitment to conducting its businesses in a fully transparent manner together with positive moral values, and in being fully responsible towards and accountable to all Stakeholders. Furthermore, the Company has established a Corporate image and communications Unit, responsible for communicating and following-up on various information or news relating to the Company's corporate image within the digital world, in order to be prepared to clarify and disseminate to any involved parties, any news or information that is fully accurate and complete as well as in a timely manner.

Risk from AI (Artificial Intelligence) and Decision Making

Currently technology relating to AI and decision making has advanced in a fast-paced manner; such as, in 2017 Google's Alpha Go AI is able to beat a world GO champion from China together with many other world-class GO players. In the future, if an AI is not appointed to the Corporate Board of Directors in helping the Board to arrive at a decision based on the available information on hand or to analyze what has happened in the past in an easy and fast manner, it may result in a loss of competitiveness, together with the creation of opportunities to establish new business activities that will build added economic value for the organization

The Company's Associated Risk Management Measures

The Company has regularly reviewed our annual strategic plans, whereby various factors relating to important technological changes, innovation and disruptive technology on a global basis are part of the assumptions used in defining both our updated short-term and long-term strategies. Additionally, the Company has established the Science Technology and Innovation Development Office-STIDO, in order to create close cooperation between various internal and external operating units in the development of our proprietary technology, which corresponds to the established strategies and that will lead to the ongoing sustainability of the organization.

Financial Risk

As at 31 December 2017, the Company had fixed interest rate Thai Baht bonds amount of Baht 155,625 million or equal to 93 percent of the total amount of interest bearing debts. Net debt to equity of the Company continuously declined to 1.70 times in 2017, whereas net debt to equity as determined in the bond covenants was at 1.44 times, lower than the level stipulated in the covenant for year 2017.

The Company's foreign exchange risk rose from normal business operations i.e. the purchase and sale of goods in foreign currencies which are relatively low. The Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. As at 31 December 2017, as per the consolidated financial statements, the Company's loans denominated in foreign currencies was Baht 363 million.

The Company's Risk Management

Risk management is integral to the whole business. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

At present, the Company's transaction associated with foreign exchange is relatively low, then, such risk shall not impact to the Company's business operation significantly (see notes 38 Financial instruments).

Furthermore, the Company's had fixed interest rate Thai Baht debentures amount of Baht 155,625 million, which the Company plans to continuously reduce leverage ratio by using internal cash flow from operation to repay loans; thus, such ratio tends to be lower. In addition, debt covenants of CPALL bonds are stipulated as follows:

as at December 31, 2015, net debt to equity not more than	5:1
as at December 31, 2016, net debt to equity not more than	3.5 : 1
as at December 31, 2017, net debt to equity not more than	2.5 : 1
as at December 31, 2018 and onwards, net debt to equity not more than	2:1

In addition, the Company also has issued perpetual debentures of Baht 20,000 million in order to cushion net debt to equity ratios.

Risk from the Record of Goodwill and Intangible Assets

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

Other intangible assets that are acquired by the Group and have finite useful lives i.e. computer programme, customer database, and others, at which 2-15 years useful lives. Other intangible assets recognize at cost, net of accumulated amortization and accumulated impairment losses. Amortization is calculated using the cost less the residual value associate with its remaining useful lives. On the other hand, other intangible assets that are acquired by the Group and have indefinite useful lives i.e. intellectual property, business license, etc. are appraised at cost less accumulated impairment losses.

The Company's Risk Management

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

General Information and Other Information

General Information

(1) General Information of CP All Public Company Limited :

CP All Public Company Limited ("the Company") is operating convenience stores under the "7-Eleven" trademark as a main business. The symbol of the Company's stock trading in the Stock Exchange of Thailand is "CPALL". The Company has registered as a Public Limited Company since March 12, 1999 and its registration number is 0107542000011.

As at December 31, 2017, the Company has registered capital at Baht 8,986,296,048, of which Baht 8,983,101,348 has been paid up. The paid-up capital comprises 8,983,101,348 ordinary shares with a par value of Baht 1 per share.

Company Head Office is located at

313 C.P. Tower, Floor 24, Silom Road, Bangrak District, Bangkok

Telephone	:	0-2071-9000
Homepage	:	www.cpall.co.th

(2) Information of Subsidiaries that held by the Company more than 10% of total issued shares

1. Counter Service Co., Ltd.

Type of business	:	Bill payment collection and life insurance and non-life insurance broker
Registration number	:	0105537086432
Head office	:	119 Tara Sathorn Tower, 4-6th Floor, Soi Sathorn 5, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Homepage	:	www.counterservice.co.th
Shareholding	:	99.99%
Paid up capital	:	Baht 100 million
Par value	:	Baht 10 per share

2. CPRAM Co., Ltd.

Type of business	:	Manufacturing and sale of convenience foods and bakery
Registration number	:	0105531097556
Head office	:	177 Moo 4, Thanee-Lat Lum Kaeo Road, Raheang, Lat-Lumkaew, Pathum Thanee
Homepage	:	www.cpram.co.th
Shareholding	:	99.99%
Paid up capital	:	Baht 600 million
Par value	:	Baht 10 per share

3. CP Retailink Co., Ltd.

Type of business	:	Sale and maintenance of retail equipment
Registration number	:	0105538139521
Head office	:	159/30 Moo 3, Vibhavadee-Rangsit Road, Tarad- BangKhen, Laksi, Bangkok
Homepage	:	www.cpretailink.co.th
Shareholding	:	99.99%
Paid up capital	:	Baht 20 million
Par value	:	Baht 10 per share

4. Gosoft (Thailand) Co., Ltd.

Type of business	:	Information technology services
Registration number	:	0105546003978
Head office	:	1 Siwadol Building 7th Floor, Convent Road, Silom, Bangrak, Bangkok
Homepage	:	www.gosoft.co.th
Shareholding	:	99.99%
Paid up capital	:	Baht 20 million
Par value	:	Baht 10 per share

5. MAM Heart Co., Ltd.

Type of business	:	Marketing and Advertising services
Registration number	:	0105546015593
Head office	:	313 C.P. Tower 26th Floor, Silom Road, Silom, Bangrak, Bangkok
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 1 million
Par value	:	Baht 10 per share

6. Dynamic Management Co., Ltd.

Type of business	:	Logistics services and distribution of merchandise services
Registration number	:	0105546069812
Head office	:	119 Tara Sathorn Tower 8th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 2 million
Par value	:	Baht 10 per share

7. Suksapiwat Co., Ltd.

Type of business	:	Investment business in educational institution
Registration number	:	0105547012156
Head office	:	20/29 Moo 2, Ngarmwongwan Road, Bangkhen, Meuang Nonthaburi, Nonthaburi
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 810 million
Par value	:	Baht 10 per share

8. Panyatara Co., Ltd.

Type of business	:	Training services
Registration number	:	0125549008181
Head office	:	58/5 Moo 2, Changwattana Road, Bang Talad, Prakret, Nonthaburi
Homepage	:	www.panyatara.co.th
Shareholding	:	99.99%
Paid up capital	:	Baht 1 million
Par value	:	Baht 10 per share

9. Thai Smart Card Co., Ltd.

Type of business	:	Payment of products and services through smart card
Registration number	:	0105544095999
Head office	:	191 Silom Complex 27th Floor, Suite 2, Silom Road, Silom, Bangrak, Bangkok
Homepage	:	www.thaismartcard.co.th
Shareholding	:	72.64%
Paid up capital	:	Baht 1,600 million
Par value	:	Baht 10 per share

10. Panyapiwat Institute of Management

Type of business	:	Educational institution
Registration number	:	4/2550
Head office	:	85/1 Moo 2, Changwattana Road, Bang Talad, Prakret, Nonthaburi
Homepage	:	www.pim.ac.th
Shareholding	:	99.99%
Paid up capital	:	Baht 500 million

11. Panyapiwat Technological College

Type of business	:	Educational institution
Registration number	:	326
Head office	:	20/29 Moo 2, Ngarmwongwan Road, Bangkhen, Meuang Nonthaburi, Nonthaburi
Homepage	:	www.panyapiwat.ac.th
Shareholding	:	99.99%
Paid up capital	:	Baht 273 million

12. All Training Co., Ltd.

Type of business	:	Training & seminar services
Registration number	:	0125555006666
Head office	:	58/5 Moo 2, Changwattana Road, Bang Talad, Prakret, Nonthaburi
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 1 million
Par value	:	Baht 10 per share

13. All Corporation Co., Ltd.

Type of business	:	Investment business
Registration number	:	0105556063400
Head office	:	119 Tara Sathorn Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 50 million
Par value	:	Baht 10 per share

14. OHT Co., Ltd.

Type of business	:	Investment business
Registration number	:	0105542017311
Head office	:	119 Tara Sathorn Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 12.5 million
Par value	:	Baht 100 per share

15. Siam Makro Holding (Thailand) Ltd.

Type of business	:	Investment business
Registration number	:	0105544077206
Head office	:	119 Tara Sathorn Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 1,066 million
Par value	:	Baht 100 per share

16. Siam Makro Public Company Limited

Type of business	:	Operating a cash and carry wholesale business in order to sell food and non-food products for all customers nationwide. Key Makro customers are small to medium sized professional operators i.e. small retailers, HoReCa, institutes, and services operators
Registration number	:	0107537000521
Head office	:	No. 1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok
Homepage	:	www.siammakro.co.th
Shareholding	:	97.88%
Paid up capital	:	Baht 2,400 million
Par value	:	Baht 0.50 per share

17. 24 Shopping Co., Ltd.

Type of business	:	Catalog and e-Commerce Business
Registration number	:	0105557000380
Head office	:	119 Tara Sathorn Tower 9-10th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok
Homepage	:	http://24shopping.co.th
Shareholding	:	99.99%
Paid up capital	:	Baht 30 million
Par value	:	Baht 10 per share

18. CP Foodlab Co., Ltd.

Type of business	:	Research and development
Registration number	:	0135559021180
Head office	:	141 Moo 9, 6th floor Innovation Cluster 2, Tower D, Thailand Science Park, Phahon Yothin Road Klong 1, Khlong Luang, Pathum Thani
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 10 million
Par value	:	Baht 10 per share

19. Panyapiwat Institute of Management Demonstration School

Type of business	:	Management Demonstration School
Registration number	:	02/2559
Head office	:	45/23 Moo 2, Chaengwattana Road, Bang Talat, Pak kret, Nonthaburi
Homepage	:	None
Shareholding	:	99.99%
Initial fund	:	Baht 100 million

20. Lotus Distribution Investment Limited

Type of business	:	Investment business
Registration number	:	297897
Head office	:	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	USD 244.2 million

21. Successor Investments Limited

Type of business	:	Investment business
Registration number	:	1452125
Head office	:	21/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	HKD 1

22. Nanjing Zheng Yi Xin Trading Co., Ltd.

Type of business	:	Commercial Trading
Registration number	:	91320100575914487U
Head office	:	44 Shui Zuo Gang, Gulou District, Nanjing City, The People's Republic of China
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	USD 10 million

23. Successor (China) Investments Limited

Type of business	:	Investment business
Registration number	:	913201005935025236
Head office	:	Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, The People's Republic of China
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	USD 232 million

24. Albuera International Limited

Type of business	:	Investment business
Registration number	:	1719885
Head office	:	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	USD 1

25. Nanjing Tianqu Investment Management Co.,Ltd.

Type of business	:	Investment business
Registration number	:	91320117566515652A
Head office	:	Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, The People's Republic of China
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	Renminbi 1,412 million

26. Nanjing Tech University Pujiang Institute

Type of business	:	Education business
Registration number	:	Su Min Zheng Zi No. 010192
Head office	:	No. 96 Tangfeng Road, Shangfeng Town, Jiangning district, Nanjing city, The People's Republic of China
Homepage	:	http://en.njpji.cn
Shareholding	:	100%
Paid up capital	:	Renminbi 400 million

27. Nanjing Tech University Pujiang Institute Educational Development Fund

Type of business	:	Educational Development Fund
Registration number	:	53320000MJ553502XL
Head office	:	Room 711 no. 199 Guangzhou Road, Nanjing City, The People's Republic of China
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	Renminbi 50 million

28. Siam Food Services Limited

Type of business	:	Import and distribution of temperature controlled, frozen, high quality food products from Thailand and overseas with delivery service i.e. meat, seafood, poultry, potato, pastry and cooking ingredient to meet the demand of food service professionals i.e. hotels, restaurants (both full service and quick service), airlines, caterers, institutions, manufacturers, and food traders
Registration number	:	0105527032739
Head office	:	2439 Old Paknam Railway Road, Prakhanong, Klongtoey, Bangkok
Homepage	:	www.siamfoodservices.com
Shareholding	:	97.88%
Paid up capital	:	Baht 3,183 million
Par value	:	Baht 100 per share

29. Indoguna Vina Food Service Co., Ltd. (Formerly known as Vina Siam Food Co., Ltd.)

Type of business	:	Import and distribution of temperature controlled, frozen, high quality food products from Thailand and overseas with delivery service i.e. meat, seafood, poultry, potato, dairy, pastry and ethnic food products, to meet the demand of food service professionals in Vietnam i.e. hotels, restaurants (both full service and quick service), caterers
Registration number	:	0312016132
Head office	:	44B, Phan Xich Long, Ward 3, Phu Nhuan Dist, Ho Chi Minh City, Vietnam
Homepage	:	www.indogunavina.com
Shareholding	:	97.88%
Paid up capital	:	USD 5 million

30. Makro ROH Co., Ltd.

Type of business	:	Investment business in foreign countries as well as provide management and technical consultancy to support services to the affiliated companies
Registration number	:	0105557153364
Head office	:	No.1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok
Homepage	:	None
Shareholding	:	97.88%
Paid up capital	:	Baht 1,745 million
Par value	:	Baht 100 per share

31. Pro Mart Co., Ltd.

Type of business	:	Sale of consumer products
Registration number	:	0105558034130
Head office	:	No.1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok
Homepage	:	None
Shareholding	:	97.88%
Paid up capital	:	Baht 2.5 million
Par value	:	Baht 100 per share

32. ARO Company Limited

Type of business	:	Marketing and consulting services in Myanmar
Registration number	:	889 FC/2014-2015
Head office	:	Unit 02, 04, 06, Level 11, Myanmar Centre Tower 1, No. 192, Kabar Aye Pagoda Road, Bahan Township, Yangon, Myanmar
Homepage	:	None
Shareholding	:	97.88%
Paid up capital	:	USD 0.165 million
Par value	:	USD 10 per share

33. Makro (Cambodia) Company Limited

Type of business	:	Wholesale and Retail Operator and related businesses in Cambodia
Registration number	:	00019245
Head office	:	No. 5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Cambodia
Homepage	:	www.makrocambodia.com
Shareholding	:	68.52%
Paid up capital	:	USD 30.2 million
Par value	:	USD 10 per share

34. CP Wholesale India Private Limited

Type of business	:	Wholesale and Retail Operator and related businesses
Registration number	:	U51909DL2017FTC310809
Head office	:	6th Floor, M3M Cosmopolitan, Sector 66, Off Golf Course Extension Road, Gurugram -122018, Haryana, India
Homepage	:	None
Shareholding	:	97.87%
Paid up capital	:	INR 160.71 million (Excluded share premium)
Par value	:	INR 10 per share

35. Indoguna (Singapore) Pte Ltd

Type of business	:	Produce sausages, bacon, ham, salami, cut meats and processed meats Under the brand Carne Meats. Import and distribution of fresh, temperature controlled, frozen, high quality food products with delivery service i.e. meat, seafood, bakery products as well as seasonal and culinary delicacies prepared from both local and international, to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders
Registration number	:	199302834E
Head office	:	36 Senoko Drive, Senoko Industrial Estate, Singapore 758221
Homepage	:	www.indoguna.com
Shareholding	:	78.30%
Paid up capital	:	SGD 1.6 million
Par value	:	SGD 1.3 per share

36. Indoguna Dubai L.L.C.

Type of business	:	Produce sausages, bacon, ham, salami, cut meats and processed meats Under the brand Carne Meats. Import and distribution of fresh, temperature controlled, frozen, high quality food products with delivery service i.e. meat, seafood, bakery products as well as seasonal and culinary delicacies prepared from both local and international, to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders
Registration number	:	78993
Head office	:	P.O. Box 123125, Al Waha Street, Al Quoz 1, Dubai, United Arab Emirates
Homepage	:	http://www.indogunadubai.com
Shareholding	:	78.30%
Paid up capital	:	AED 0.3 million
Par value	:	AED 1,000 per share

37. Just Meat Company Limited

Type of business	:	Import and distribution of fresh, high quality food products of meats and poultry in Hong Kong
Registration number	:	0972827
Head office	:	Ground Floor 45, Hau Wong Road, Kowloon City, Kowloon, Hong Kong
Homepage	:	WWW.JUSTMEAT.COM.HK
Shareholding	:	78.30%
Paid up capital	:	HKD 1 million
Par value	:	HKD 1,000 per share

38. Indoguna Lordly Company Limited (Formerly known as Lordly Company Limited)

Type of business	:	Import and distribution of fresh, temperature controlled, frozen, high quality food products with delivery service i.e. meat, seafood, bakery products, fried egg soup as well as seasonal and culinary delicacies prepared from both local and international, to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders
Registration number	:	196081
Head office	:	14 Floor, Chung Fung Commercial Building, 10-12 Canton Road, Tsimshatsui, Kowloon, Hong Kong
Homepage	:	WWW.LORDLY.COM.HK
Shareholding	:	78.30%
Paid up capital	:	HKD 0.1 million
Par value	:	HKD 1 per share

39. Makro (Guangzhou) Food Company Limited

Type of business	:	Wholesale and Retail Operator and related businesses in the People's Republic of China
Registration number	:	91440101MA59Q1XQ1D
Head office	:	Room 440, No.401, 4/F, No.17 Fangxin Road, Liwan District, Guangzhou, The People's Republic of China
Homepage	:	None
Shareholding	:	97.87%
Paid up capital	:	Renminbi 25 million

40. MAXZI THE GOOD FOOD RESTAURANT & CAFÉ L.L.C.

Type of business	:	Restaurant and Minimart in the United Arab Emirates
Registration number	:	1309929
Head office	:	Al Shafar Investment Building, Shop No.20, P.O. Box 126113 Al Quoz 1, Dubai, United Arab Emirates
Homepage	:	www.maxzi.ae
Shareholding	:	78.30%
Paid up capital	:	-
Par value	:	AED 1,000 per share

41. Indoguna (Cambodia) Company Limited

Type of business	:	Food Services Business and related businesses in Cambodia
Registration number	:	00029158
Head office	:	No. 423, National Road 3, Phum Srae Nhoar, Pong Tuek, Dangkao, Phnom Penh 12407 Cambodia
Homepage	:	None
Shareholding	:	68.52%
Paid up capital	:	USD 2 Million
Par value	:	USD 10 per share

42. True GS Co., Ltd.

Type of business	:	Online business
Registration number	:	0105554069842
Head office	:	18 True Tower, Ratchadapisek Road, Huay Kwang, Bangkok
Homepage	:	None
Shareholding	:	10.0%
Paid up capital	:	Baht 340 million
Par value	:	Baht 100 per share

(3) Other References

Registrar

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building
93 Rachadapisek Road
Dindaeng Bangkok 10400

Telephone	:	0-2009-9999 (Call Center)
Website	:	www.set.or.th/tsd

Auditor

Mrs. Munchupa Singsuksawat

Certified Public Accountant Registration No. 6112

KPMG Poomchai Audit Ltd.

1 Empire Tower, Floor 50-51

Sathorn Road, Sathorn District, Bangkok

Telephone : 0-2677-2060

The Registrar and Bondholder Representative

Debenture No. 1/2013

The Registrar : Krungthai Bank Public Company Limited
977/3 SM Tower 4th Floor,
Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400
Telephone : 0-2298-0830 Ext. 129

Bondholder Representative : Siam Commercial Bank Public Company Limited
Tower Gland Rama IX, 17th Floor,
Building 2 Floor 3, No. 1060, New Petchburi Road,
Makkasan, Ratchathewi, Bangkok 10400
Telephone : 0-2256-2316

Debenture No. 1/2014, Debenture No. 2/2014, Debenture No. 3/2014, Debenture No. 3/2017 and Subordinated Perpetual Debenture No. 1/2016, No. 1/2017

The Registrar and : Krungthai Bank Public Company Limited
Bondholder Representative : 977/3 SM Tower 4th Floor,
Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400
Telephone : 0-2298-0830 Ext. 129

Debenture No. 1/2015, Debenture No. 2/2015, Debenture No. 1/2016, Debenture No. 2/2016, Debenture No. 1/2017 and Debenture No. 2/2017

The Registrar : Krungthai Bank Public Company Limited
977/3 SM Tower 4th Floor,
Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400
Telephone : 0-2298-0830 Ext. 129

Other Information

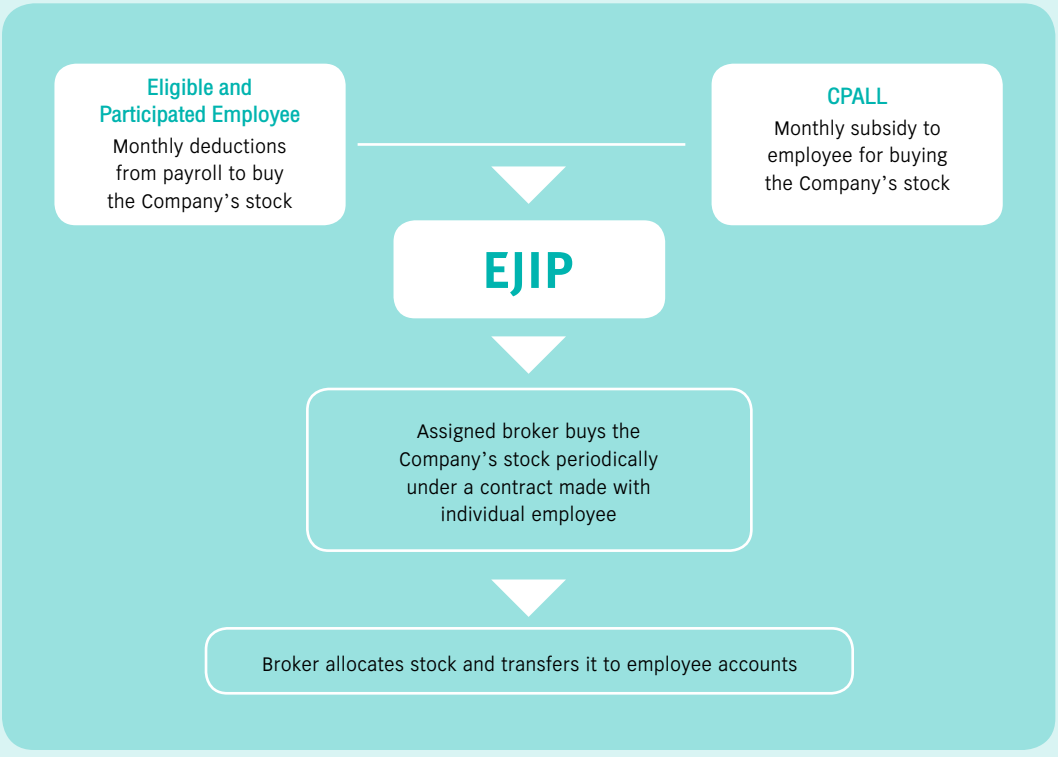
Summary of the Employee Joint Investment Program (EJIP) No. 3

CP All Public Company Limited and its subsidiaries have a policy for creating a sense of ownership, loyalty and the attempt of employees to grow along with the Company. Thus it has launched Employee Joint Investment Program (EJIP) No. 3 with the following criteria.

1. Nature of EJIP

It is an investment program for the voluntarily employees of the listed companies in the Stock Exchange of Thailand upon accumulative buying of their Company's shares on a period basis (i.e. monthly or quarterly) using the dollar cost average method.

2. EJIP Arrangement



Type of Stock	Ordinary shares of CPALL trading in the Stock Exchange of Thailand
Frequency of Investment	Specified date on a monthly basis
Investment Amount (Per Employee)	Employee - 5% or 7% of salary (on a voluntarily basis)
	Company - 80% of the deductable amount from the employee in each month
Duration	1 July 2017 – 30 June 2022 (Total 5 years)
Method of Payment	Buying – employee's deduction from monthly salary and the Company's contribution
	Selling – broker transfers money from stock sale to employee's bank account
Stock Purchase	Automatic purchase as stated in the contract
Stock Delivery	Delivered to individual employee account opened with the broker
Benefits to Employee	Dividend Gain
	Capital Gain
	Other rights such as rights issue, warrant, shareholders' meeting
Selling Stock	Employee has the right to sell stock during the specified period in the contract.
Tax	Employee must pay personal income tax on the contribution amount received from the Company.
	Company can claim tax deductible on the contribution amount.

**The Board of Directors has delegated the Executive Committee the authority to edit, change or add program guidelines where appropriate, including early termination of the program.*

3. Eligible Employee Under EJIP

Managers with the level of assistant department manager or equivalent and above with the working period till the initial contribution date of not less than 3 years, excluding directors and advisors of the Company.

Dividend Policy

The Company's Dividend Policy

In the consideration of dividend payment, the Company will consider operating performance and shareholder returns in the long-run. Payment of dividends will be according to the Company's regulations No. 36 and No. 37. The dividend payment will be distributed according to the number of shares, each share equally. The dividend payment must be approved by the Shareholders' Meeting. The Board may pay interim dividends to shareholders occasionally, if they find that the Company has sufficient profits to do so, and reports to the subsequent Shareholders' Meeting.

The Company's Board of Directors has a policy to propose a dividend payment to shareholders at approximately 50 percent of net profit generated from operations after income tax deduction and statutory reserves from the separate financial statement by contemplating consolidated financial statement.

However, the policy will be subject to change should the Board of Directors consider the financial standing, economics situation, operating performance, ability to pay financing charges and principal repayment and comply with debt covenants and future projects and find that it is appropriate to propose the shareholders otherwise.

In addition, the Company is obliged to comply with terms and conditions of various types of debentures. In case the Company is in default of interest payments or any payment related to debentures or postponement of interest payments on debenture (as the case may be), the Company will not pay dividends to shareholders.

Subsidiaries' Dividend Policy

With respect to subsidiaries, the Board of Directors of subsidiaries has policies to distribute dividends in accordance with the operating performance of the relevant companies without determining a certain rate of dividend payment. The distribution of dividends will be based on financial position, and future investment plans of each subsidiary.

Dividend Distribution

Dividend Payment	2012	2013	2014	2015	2016
1. Earnings per share – Company only (Baht/share)	1.11	1.14	0.97[1]	1.27	1.57[2]
2. Annual Dividend • Cash dividend (Baht/share) • Stock dividend (Baht/share)	0.90	0.90	0.80	0.90	1.00
3. Dividend Payout – Company only	81%	79%	83%	71%	64%

Note : 1. In 2014, there was an adjustment in other comprehensive income
2. In 2016, EPS less cumulative interest payment on subordinated perpetual debentures

Securities Details and Shareholding Structure

Securities of the Company

As at December 31, 2017, the Company registered capital with Ministry of Commerce was Baht 8,986,296,048, of which Baht 8,983,101,348 had been paid up. The paid up capital comprises of 8,983,101,348 ordinary shares with a par value of Baht 1 per share, entitling of 1 share/1 vote.

Name List of Shareholders

Major Shareholders	As at 31 December, 2017	
	No. of shares	%
1. C.P. Merchandising Co., Ltd.*	2,721,111,700	30.29
2. South East Asia UK	653,019,802	7.27
3. Thai NVDR Co., Ltd.	649,828,013	7.23
4. State Street Bank	392,764,308	4.37
5. HSBC (Singapore) Nominees PTE LTD	346,759,654	3.86
6. The Bank of New York	230,796,387	2.57
7. Chase Nominees Limited	216,285,070	2.41
8. Nortrust Nominees Limited	193,560,444	2.15
9. C.P. Foods Holding Ltd*	180,000,000	2.00
10. UNS Agro Chemical Co., Ltd.	180,000,000	2.00
11. Charoen Pokphand Group Co., Ltd.*	127,900,000	1.42
12. Bangkok Produce Merchandising Plc.*	100,000,000	1.11
13. C.P. Foods International Limited*	83,000,000	0.92
14. Orient Success International*	60,470,000	0.67
15. Worth Access Trading Limited*	23,374,000	0.26
16. Creative Light Investment Limited*	15,860,000	0.18
17. Others	2,808,371,970	31.26
Total	**8,983,101,348**	**100.00**

** Denotes companies in the Charoen Pokphand Group holding a combined shareholding of 36.87 percent of the total paid-up capital*

Other Securities

The Extraordinary General Shareholders' Meeting No. 2/2013 on September 19, 2013 and Annual General Meeting of Shareholders No.1/2014 dated April 24, 2014 and Annual General Meeting of Shareholders No.1/2016 dated April 21, 2016 approved the offering and issuance of the debentures up to Baht 195,000 million in order to repay loans and/or to be used as working capital.

As at December 31, 2017, the Company offered and issued debentures of 12 times in the total of 34 tranches, which total up to amount of Baht 175,624.90 million as details below :

1. Debentures No. 1/2013 Unsubordinated and secured debentures in registered name form with debentureholder representative

Offering	Public Offering, High net worth, and Institutional investors
Outstanding Debenture Value	Baht 38,158.8 million
Issue Date	October 31, 2013
Interest Payment Date	Twice a year on each April 30 and October 31 that the debentures are outstanding ; the first interest payment date on April 30, 2014
Issue Rating	"A (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
5 years	12,247,000,000	4.70%	31 October 2018
7 years	10,789,800,000	5.10%	31 October 2020
10 years	15,122,000,000	5.35%	31 October 2023

2. Debentures No. 1/2014 Unsubordinated and secured debentures in registered name form with debentureholder representative

Offering	Public Offering, High net worth, and Institutional investors
Outstanding Debenture Value	Baht 36,263.90 million
Issue Date	March 27, 2014
Interest Payment Date	Twice a year on each September 27 and March 27 that the debentures are outstanding ; the first interest payment date on September 27, 2014
Issue Rating	"A (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
5 years	11,066,100,000	4.30%	27 March 2019
7 years	9,884,100,000	4.85%	27 March 2021
10 years	15,313,700,000	5.14%	27 March 2024

3. Debentures No. 2/2014 Unsubordinated and secured debentures in registered name form with debentureholder representative

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 19,702.20 million
Issue Date	August 22, 2014
Interest Payment Date	Twice a year on each February 22 and August 22 that the debentures are outstanding ; the first interest payment date on February 22, 2015
Issue Rating	"A (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
5 years	6,027,200,000	4.25%	22 August 2019
7 years	3,236,000,000	4.75%	22 August 2021
10 years	10,439,000,000	5.05%	22 August 2024

4. Debentures No. 3/2014 Unsubordinated and secured debentures in registered name form with debentureholder representative

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 4,000 million
Issue Date	December 26, 2014
Interest Payment Date	Twice a year on each June 26 and December 26 that the debentures are outstanding ; the first interest payment date on June 26, 2015
Issue Rating	"A (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
12 years	4,000,000,000	4.80%	26 December 2026*

**The issuer's right to early redemption from December 26, 2021*

5. Debentures No. 2/2015 Subordinated and unsecured debentures in registered name form

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 13,000 million
Issue Date	June 30, 2015
Interest Payment Date	Twice a year on each December 30 and June 30 that the debentures are outstanding ; the first interest payment date on December 30, 2015
Issue Rating	"A- (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
3 years	2,500,000,000	2.98%	30 June 2018
5 years	1,500,000,000	3.65%	30 June 2020
7 years	3,000,000,000	4.10%	30 June 2022
10 years	6,000,000,000	4.45%	30 June 2025*

**The issuer's right to early redemption from June 30, 2022*

6. Debentures No. 1/2016 Subordinated and unsecured debentures in registered name form

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 7,000 million
Issue Date	March 18, 2016
Interest Payment Date	Twice a year on each September 18 and March 18 that the debentures are outstanding ; the first interest payment date on September 18, 2016
Issue Rating	"A- (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
5 years	1,382,000,000	2.95%	18 March 2021
7 years	937,000,000	3.40%	18 March 2023
10 years	2,074,000,000	4.00%	18 March 2026*
12 years	2,607,000,000	4.15%	18 March 2028**

**The issuer's right to early redemption from June 18, 2021*
***The issuer's right to early redemption from June 18, 2023*

7. Debentures No. 2/2016 Subordinated and unsecured debentures in registered name form

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 12,000 million
Issue Date	August 26, 2016
Interest Payment Date	Twice a year on each February 26 and August 26that the debentures are outstanding ; the first interest payment date on February 26, 2017.
Issue Rating	"A- (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
3 years	5,901,000,000	2.49%	26 August 2019
7 years	500,000,000	3.25%	26 August 2023
10 years	748,000,000	3.68%	26 August 2026
12 years	4,851,000,000	4.00%	26 August 2028

8. Subordinated perpetual debentures No. 1/2016 payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral.

Offering	Public offering and/or Institutional investors
Outstanding Debenture Value	Baht 10,000 million
Issue Date	November 30, 2016
Interest Rate	Year 1-5 : Interest rate at 5.0% Year 6-10 : Interest rate equal to the sum of (a) five-year government bond yields* (b) Initial Credit Spread 3.13 percent per year, (c) the rate of 0.5 percent per year. Year 11-50 : Interest rate equal to the sum of (a) five-year government bond yields* (b) Initial Credit Spread 3.13 percent per year, (c) the rate of 1.0 percent per year. Year 51 onwards : Interest rate equal to the sum of (a) five-year government bond yields* (b) Initial Credit Spread 3.13 percent per year, (c) the rate of 2.0 percent per year.

** Interest rate will be adjusted every five years based on the government's five-year bond yields at the end of day two days prior to the interest-rate adjustment date.*

Interest Payment Date	Twice a year on each May 30 and November 30 that the debentures are outstanding ; the first interest payment date on June 30, 2017.
Redemption Right	Issuer has the right to redeem the debentures in the following cases : 1. The Issuer's right to redeem the debentures on 5-year maturity date starting from the issue date, which is on November 30, 2021 (the first day to exercise redemption right) or on each interest payment date the first day to exercise redemption right

2. The issuer's right to redeem in case the Revenue Department or related departments changes the rule so that the issuer cannot treat interest paid to debenture holders as tax deductible expense for tax purposes
3. The issuer's right to redeem in case the credit rating changes the rating of the debenture so that the issuance of the debenture can be treated as part of Equity Credit less
4. The issuer's right to redeem in case of a change of accounting principle and methods the issuance of the debenture can be treated as part of Equity Credit less

Issue Rating "BBB (tha)" by Fitch Ratings (Thailand) Limited

9. Debentures No. 1/2017 Subordinated and unsecured debentures in registered name form

Offering Institutional investors

Outstanding Debenture Value Baht 4,500 million

Issue Date March 27, 2017

Interest Payment Date Twice a year on each September 27 and March 27 that the debentures are outstanding ; the first interest payment date on September 27, 2017.

Issue Rating "A- (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
12 years	4,500,000,000	4.70%	27 March 2029

10. Debentures No. 2/2017 Subordinated and unsecured debentures in registered name form

Offering High net worth and/or Institutional investors

Outstanding Debenture Value Baht 3,000 million

Issue Date August 18, 2017

Interest Payment Date Twice a year on each February 18 and August 18 that the debentures are outstanding ; the first interest payment date on February 18, 2018.

Issue Rating "A- (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
10 years	3,000,000,000	3.96%	18 August 2027

11. Subordinated perpetual debentures No. 1/2017 payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral.

Offering	Public offering and/or Institutional investors	
Outstanding Debenture Value	Baht 10,000 million	
Issue Date	August 22, 2017	
Interest Rate	Year 1-5 :	Interest rate at 5.0%
	Year 6-10 :	Interest rate equal to the sum of (a) five-year government bond yields* (b) Initial Credit Spread 3.07 percent per year, (c) the rate of 0.5 percent per year.
	Year 11-50 :	Interest rate equal to the sum of (a) five-year government bond yields* (b) Initial Credit Spread 3.07 percent per year, (c) the rate of 1.1 percent per year.
	Year 51 onwards :	Interest rate equal to the sum of (a) five-year government bond yields* (b) Initial Credit Spread 3.07 percent per year, (c) the rate of 2.1 percent per year.

** Interest rate will be adjusted every five years based on the government's five-year bond yields at the end of day two days prior to the interest-rate adjustment date.*

Interest Payment Date

Twice a year on each February 22 and August 22 that the debentures are outstanding ; the first interest payment date on February 22, 2018.

Redemption Right

Issuer has the right to redeem the debentures in the following cases :

1. The Issuer's right to redeem the debentures on 5-year maturity date starting from the issue date, which is on August 2022 (the first day to exercise redemption right) or on each interest payment date the first day to exercise redemption right
2. The issuer's right to redeem in case the Revenue Department or related departments changes the rule so that the issuer cannot treat interest paid to debenture holders as tax deductible expense for tax purposes
3. The issuer's right to redeem in case the credit rating changes the rating of the debenture so that the issuance of the debenture can be treated as part of Equity Credit less
4. The issuer's right to redeem in case of a change of accounting principle and methods the issuance of the debenture can be treated as part of Equity Credit less

Issue Rating

"BBB (tha)" by Fitch Ratings (Thailand) Limited

12. Debentures No. 3/2017 Unsubordinated and unsecured debentures in registered name form

Without Debentureholder Representative

Offering	Institutional investors and/or High net worth
Outstanding Debenture Value	Baht 9,000 million
Issue Date	November 15, 2017
Interest Payment Date	Twice a year on each May15 and November 15 that the debentures are outstanding ; the first interest payment date on May 15, 2018
Issue Rating	"A (tha)" by Tris Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
10 years	9,000,000,000	3.50%	15 November 2027

With Debentureholder Representative

Offering	Public offering
Outstanding Debenture Value	Baht 9,000 million
Issue Date	November 30, 2017
Interest Payment Date	Twice a year on each May 30 and November 30 that the debentures are outstanding ; the first interest payment date on May 30, 2018
Issue Rating	"A (tha)" by Tris Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate	Maturity Date
5 years	9,000,000,000	3.10%	30 November 2022

Shareholdings of the Company by Directors

As of December 31, 2017

Name	2017		2016	Increase/ Decrease (shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Prof. Dr. Komain Bhatarabhirom Chairman of the Audit Committee and Independent Director	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Pridi Boonyoung Audit Committee and Independent Director	0.00759	681,478	681,478	-
Spouse and minor child	-	-	-	-
Mr. Padoong Techasarintr Audit Committee and Independent Director	0.00011	9,824	9,824	-
Spouse and minor child	-	-	-	-
Police General Phatcharavat Wongsuwan Independent Director	-	-	-	-
Spouse and minor child	-	-	-	-
Adjunct Professor Prasobsook Boondech Independent Director	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Dhanin Chearavanont Chairman	0.01705	1,531,476	1,531,476	-
Spouse and minor child	-	-	-	-
Mr. Korsak Chairasmisak Vice Chairman and Chairman of Executive Committee	0.09861	8,858,491	8,755,617	102,874
Spouse and minor child	-	-	-	-
Mr. Adirek Sripratak Director	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Umroong Sanphasitvong Director and member of Executive Committee	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Soopakij Chearavanont Director	0.00248	222,396	222,396	-
Spouse and minor child	-	-	-	-

Name	2017		2016	Increase/ Decrease (shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Mr. Narong Chearavanont	0.00339	304,802	304,802	-
Director				
Spouse and minor child	-	-	-	-
Mr. Prasert Jarupanich	-	-	-	-
Director				
Spouse and minor child	-	-	-	-
Mr. Pittaya Jearavisitkul	0.02082	1,870,427	1,823,301	47,126
Director and Vice Chairman of Executive Committee				
Spouse and minor child	-	-	-	-
Mr. Piyawat Titasattavorakul	0.00017	15,047	134,738	(119,691)
Director and Vice Chairman of Executive Committee				
Spouse and minor child	0.00002	2,000	2,000	-
Mr. Tanin Buranamanit	0.00462	415,432	374,646	40,786
Director, Member of Executive Committee,				
Managing Director and Chief Executive Officer				
Spouse and minor child	-	-	-	-
Total Shareholdings by Directors	**0.15486**	**13,911,373**	**13,840,278.00**	**71,095**

Shareholdings of the Company by Management

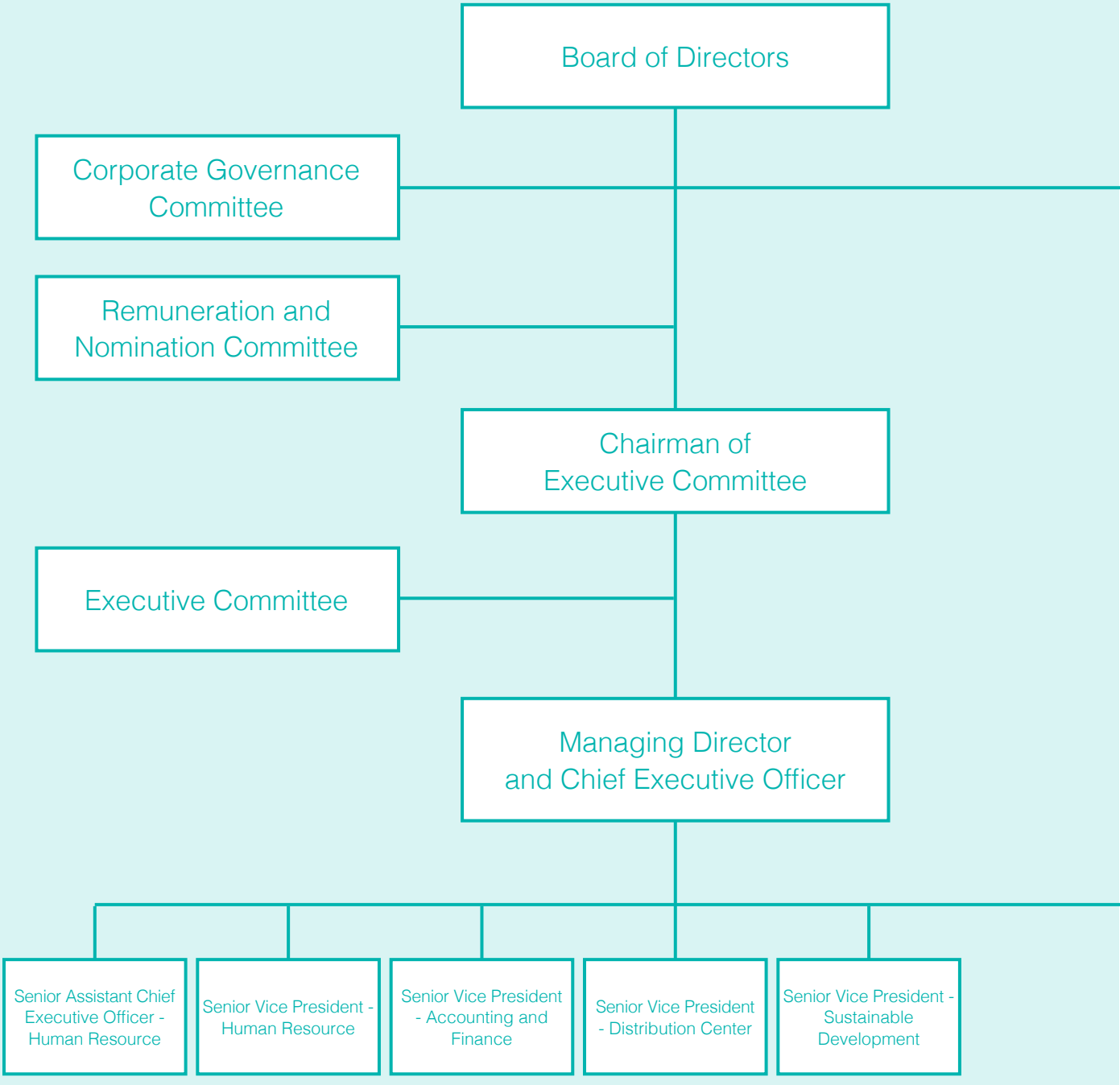
As of December 31, 2017

Name	2017		2016	Increase/ Decrease (shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Mr. Wisade Wisidwinyoo	0.00017	15,559	111,523	(95,964)
Member of Executive Committee				
Spouse and minor child	0.00000	41	80,381	(80,340)
Mr. Taweesak Kaewrathtanapattama	0.00019	17,170	197,461	(180,291)
Member of Executive Committee and				
Senior Vice President - Accounting and Finance				
Spouse and minor child	0.00537	482,103	258,673	223,430
Mr. Suraphan Pussadej	0.00284	254,987	244,914	10,073
Senior Assistant Chief Executive Officer -				
Human Resource				
Spouse and minor child	0.00111	100,000	100,000	-

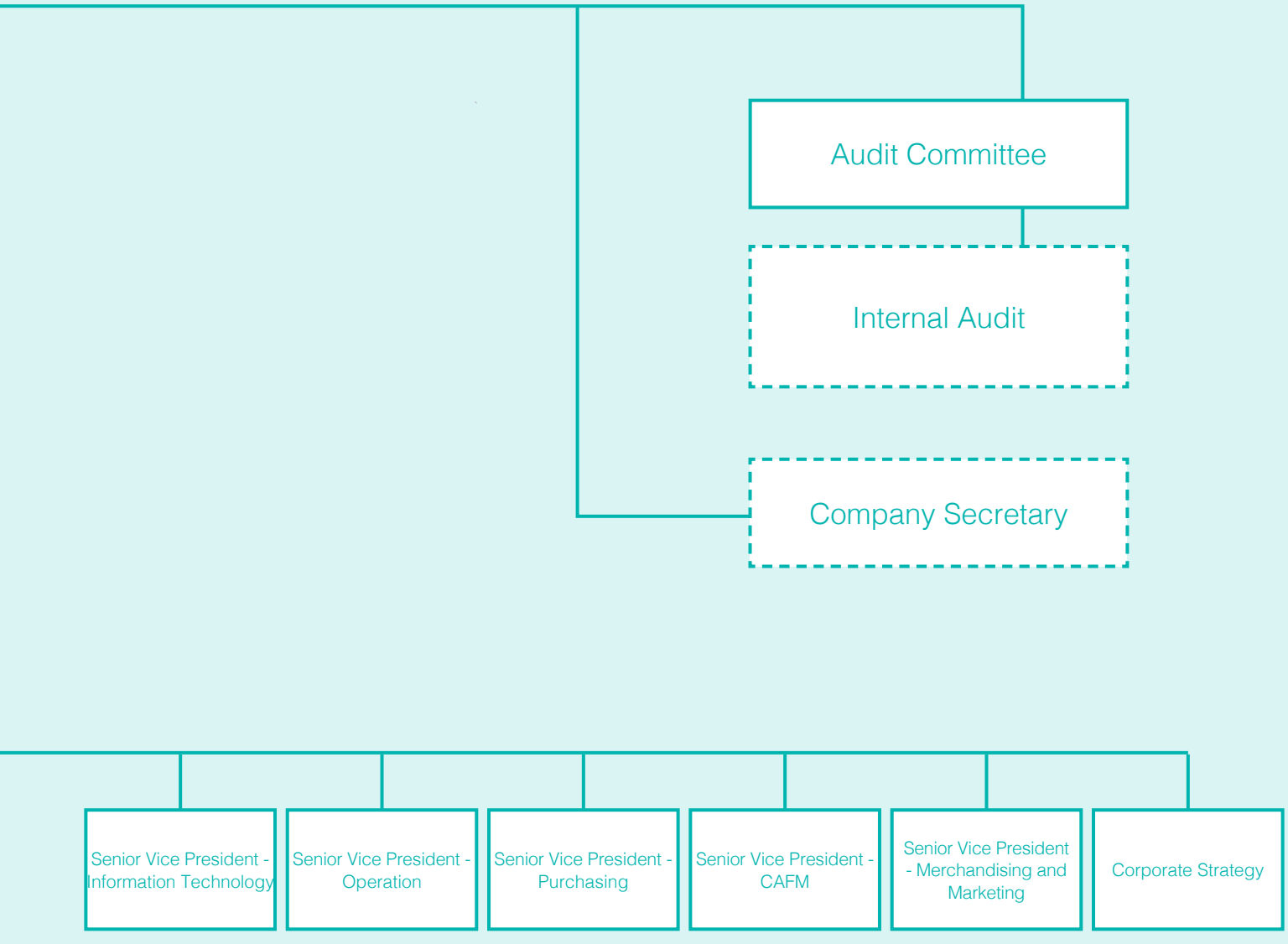
Name	2017		2016	Increase/ Decrease (shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Mr. Chuan Nimkittikul	0.00811	728,951	723,972	4,979
Senior Vice President - Distribution Center Function				
Spouse and minor child	-	-	-	-
Mr. Suwit Kingkaew	0.00321	288,318	276,152	12,166
Senior Vice President - Sustainable Development				
Spouse and minor child	-	-	-	-
Mr. Kosa Pongsupath	0.00358	321,645	306,666	14,979
Senior Vice President - Information Technology				
Spouse and minor child	-	-	-	-
Mr. Skol Tejasataporn	0.00143	128,672	116,631	12,041
Senior Vice President - Purchasing				
Spouse and minor child	0.00072	65,000	65,000	-
Mr. Chairoj Tiwatmuncharoen	0.00249	223,411	208,116	15,295
Senior Vice President - Operation				
Spouse and minor child	0.00307	276,153	271,991	4,162
Mr. Vichien Chuengviroj	0.00007	6,409	52,811	(46,402)
Senior Vice President - Corporate Asset and Facilities Management				
Spouse and minor child	-	-	-	-
Mr. Yuthasak Poomsurakul	0.00122	109,252	91,199	18,053
Senior Vice President - Merchandising & Marketing				
Spouse and minor child	-	-	-	-
Ms. Lawan Tienghongsakul	0.00328	294,995	284,475	10,520
Senior Vice President - Human Resource				
Spouse and minor child	0.00004	3,500	3,500	-
Mr. Supot Shitgasornpongse	0.00120	107,382	237,673	(130,291)
Company Secretary				
Spouse and minor child	-	-	-	-
Mr. Kidsada Euapiyachart	0.00085	76,680	66,370	10,310
Secretary of Audit Committee				
Spouse and minor child	-	-	-	-
Total Shareholdings by Management	**0.03896**	**3,500,228**	**3,697,508**	**(197,280)**
Total Shareholdings by Directors and Management	**0.19383**	**17,411,601**	**17,537,786**	**(126,185)**

Management Structure

Management Structure as of 31 December 2017



Executives who shall declare remuneration


Audit Committee
Internal Audit
Company Secretary
Senior Vice President - Information Technology
Senior Vice President - Operation
Senior Vice President - Purchasing
Senior Vice President - CAFM
Senior Vice President - Merchandising and Marketing
Corporate Strategy

1. Board of Directors

As of 31 December 2017, the Company's Board of Directors consists of 15 members including :

1. Executive Directors 5 persons
2. Non-Executive Directors 10 persons, which are as follows :
   - Independent Directors 5 persons (account for one-third of Board members)
   - Non-managing Directors 5 persons

Names of the Board of Directors

1.	Prof. Dr. Komain	Bhatarabhirom	Independent Director
2.	Mr. Pridi	Boonyoung	Independent Director
3.	Mr. Padoong	Techasarintr	Independent Director
4.	Adjunct Professor Prasobsook	Boondech	Independent Director
5.	Police General Phatcharavat	Wongsuwan	Independent Director
6.	Mr. Dhanin	Chearavanont	Chairman
7.	Mr. Korsak	Chairasmisak[1]	Vice Chairman and Chairman of Executive Committee
8.	Mr. Adirek	Sripratak[2]	Director
9.	Mr. Umroong	Sanphasitvong[2]	Director, Member of Executive Committee
10.	Mr. Soopakij	Chearavanont[2]	Director
11.	Mr. Narong	Chearavanont[2]	Director
12.	Mr. Prasert	Jarupanich[2]	Director
13.	Mr. Pittaya	Jearavisitkul[1]	Director and Vice Chairman of Executive Committee
14.	Mr. Piyawat	Titasattavorakul[2]	Director and Vice Chairman of Executive Committee
15.	Mr. Tanin	Buranamanit[1]	Director, Member of Executive Committee, Managing Director and Chief Executive Officer

** Directors No. 7-15 are Authorized Directors.*

Authorized Directors :

Certification documents of the Company stipulate that the binding signatures must include 2 authorized directors - consisting of any authorized director from both Executive 1 and Non-Executive 2 members, excluding the Chairman and Independent Directors for the existence of independence in compliance with good corporate governance principles. Both directors must sign and affix the Company's seal.

Definition

Executive Directors :

The directors who hold a position in the management and are involved in the day-to-day operations of the organization.

Non-Executive Directors :

The directors who do not hold a position in the management, may or may not be an independent director, and are not involved in the day-to-day operations of the organization.

Independent Directors :

Independent or outside directors who are not engaged in the day-to-day management of the organization and are not major shareholders. Furthermore, independent directors must have no such connection with a major shareholder, group of major shareholders, or other stakeholders.

Position in Sub-Committees

Name List	Audit Committee	Corporate Governance Committee	Remuneration and Nomination Committee
1. Prof. Dr. Komain Bhatarabhirom*	Chairman	-	-
2. Mr. Pridi Boonyoung*	Committee	-	-
3. Mr. Padoong Techasarintr*	Committee	Committee	Committee
4. Adjunct Professor Prasobsook Boondech*	-	Chairman	-
5. Police General Phatcharavat Wongsuwan*	-	Committee	Chairman
6. Mr. Dhanin Chearavanont	-	-	-
7. Mr. Korsak Chairasmisak	-	-	-
8. Mr. Adirek Sripratak	-	-	-
9. Mr. Umroong Sanphasitvong	-	Committee	-
10. Mr. Soopakij Chearavanont	-	-	Committee
11. Mr. Narong Chearavanont	-	-	-
12. Mr. Prasert Jarupanich	-	-	-
13. Mr. Pittaya Jearavisitkul	-	-	-
14. Mr. Piyawat Titasattavorakul	-	-	-
15. Mr. Tanin Buranamanit	-	-	-

Note : 1. Director No. 1, 2, 3, 4 and 5 are Independent Directors with qualifications of an Independent Director in compliance with the Company's requirements.

2. Mr. Dhanin Chearavanont and Mr. Umroong Sanphasitvong resigned from the Committee Members of the Nomination and Remuneration Committee, effective 29 August 2017 and 14 November 2017, respectively. The Board of Directors has approved the appointment of Mr. Soopakij Chearavanont as Nomination and Remuneration Committee Member replacing the resigned members, effective 13 November 2017 onwards.

Board of Directors' Meeting

1. The Board of Directors' Meeting is held once every quarter on a normal basis. The dates of the Board of Directors' Meetings are predetermined one year in advance so that directors can arrange their schedule to attend the meeting. However, additional meetings may be called if there are special matters that require the Board's approval.

2. In 2017, a total of 6 Board of Directors' Meetings were held which was appropriate for the duties and responsibilities of the Board and the operations of the Company in the previous year. In addition, there is one Non-Executive Directors Meeting in 2017.
3. The meeting's invitation, agenda and relevant documents were sent to the directors at least 7 days prior to the meeting date to allow sufficient time for the directors to study the information before decision-making. In the consideration of any issue, the directors are entitled to look at or check the related documents and ask the management to provide additional information.
4. In every meeting, the management had been asked on questions raised by directors. The directors exercised careful, independent and transparent judgment with fair consideration for the interests of shareholders and stakeholders. Directors with vested interests in the matter under consideration must leave the meeting during consideration of that matter. The Chairman also provided sufficient time for directors to discuss problems and possible solutions. Management related to the presented agenda item were invited to the meeting to provide additional details and answer questions, which also is a good opportunity for the management to get to know the high-level executives for further job-handover.
5. After the Board of Directors' Meetings, the minutes were prepared, approved by the Board and filed at the Company Secretary Office for future reference and verification by directors and related persons.
6. In the consideration of any issue, the directors are entitled to look at or check the related documents : ask the management to provide additional information and bring in outside consultants or experts to provide, at the Company's expense.

Names of the Board of Directors and Board Members Attendance for the Year 2017 (Number of Times)
(As of 31 December 2017)

Name List		Positions	Number of Meetings (6 times)	Shareholders' Meetings (1 time)
1. Prof. Dr. Komain	Bhatarabhirom	Independent Director	6/6	1/1
2. Mr. Pridi	Boonyoung	Independent Director	5/6	0/1
3. Mr. Padoong	Techasarintr	Independent Director	5/6	1/1
4. Adjunct Professor Prasobsook	Boondech	Independent Director	6/6	1/1
5. Police General Phatcharavat	Wongsuwan	Independent Director	6/6	1/1
6. Mr. Dhanin	Chearavanont	Chairman	4/6	1/1
7. Mr. Korsak	Chairasmisak	Vice Chairman	5/6	1/1
8. Mr. Adirek	Sripratak	Director	5/6	0/1
9. Mr. Umroong	Sanphasitvong	Director	6/6	1/1
10. Mr. Soopakij	Chearavanont	Director	5/6	0/1
11. Mr. Narong	Chearavanont	Director	5/6	1/1
12. Mr. Prasert	Jarupanich	Director	5/6	0/1
13. Mr. Pittaya	Jearavisitkul	Director	6/6	1/1
14. Mr. Piyawat	Titasattavorakul	Director	6/6	1/1
15. Mr. Tanin	Buranamanit	Director	6/6	1/1

2. High-Level Executives

As of 31 December 2017, the Company had a total of 16 high-level executives consisting of

- Executive Committee 7 persons
- Executive Officers 11 persons (2 person are also in the Executive Committee)

2.1 Executive Committee

The Executive Committee consists of at least 3 persons who are the Company's directors and/or the executives of the Company as approved by the Chairman of the Executive Committee. At each Executive Committee Meeting, the Executive Committee may invite other persons such as the representative from the management and/or external advisors to join the meeting as deemed necessary.

The Company's Executive Committee is as follows :

1.	Mr. Korsak	Chairasmisak	Chairman of Executive Committee
2.	Mr. Pittaya	Jearavisitkul	Vice Chairman of Executive Committee
3.	Mr. Piyawat	Titasattavorakul	Vice Chairman of Executive Committee
4.	Mr. Umroong	Sanphasitvong	Member of Executive Committee
5.	Mr. Tanin	Buranamanit	Member of Executive Committee
6.	Mr. Wisade	Wisidwinyoo	Member of Executive Committee
7.	Mr. Taweesak	Kaewrathtanapattama*	Member of Executive Committee

** Mr. Taweesak Kaewrathtanapattama was appointed by the Board of Directors on 13 November 2017*

Scope of Authority and Responsibilities of the Executive Committee

1. Consider the Company's objectives, business strategies, budget, and investment projects. In case the situation changes, the Executive Committee will review the use of the budget and investment projects that were previously approved to be appropriate for the changing situation.
2. Monitor the performance and progress of investment projects and report the overall results including the problems or obstacles encountered and the guidelines for improvement
3. Monitor the results of the Company's risk management
4. Monitor the results of human resource development, appointment and relocation of executives according to human resource plan, remuneration guidelines, and evaluation criteria of high-level executives
5. Consider financing options when there is a need to find funding sources for various investment projects
6. Monitor the use of funds, management of the funds, and the Company's financial status
7. Perform any other tasks as considered appropriate and assigned by the Chairman of the Executive Committee

Appointment and Removal of the Executive Committee

The Company's Board of Directors appoints and removes the Executive Committee according to the proposal of the Chairman of the Executive Committee by a majority of votes at the Board of Directors' Meeting.

Chairman of the Executive Committee

The Chairman of the Executive Committee, Mr. Korsak Chairasmisak, was appointed by the Board of Directors' Meeting on 7 August 2013 and is authorized to perform duties in relation to the Company's policies, strategies, operational plans, budgets and investment projects with honesty and prudence to protect the benefits of the Company, and in compliance with the laws, the objectives, the Company's Articles of Association, and the policies set by the Board of Directors. To assist in effective and efficient management of the Company, the Chairman of the Executive Committee is authorized to propose the appointment and removal of persons in the following positions :

1. Nominate persons on the Executive Committee for the consideration and approval by the Board of Directors
2. Nominate persons for the position of Managing Director and Chief Executive Officer for the consideration and approval by the Board of Directors
3. Approve the appointment of Executive Officers according to the proposal from the Managing Director and Chief Executive Officer

Important matters that the Chairman of the Executive Committee must present to the Board of Directors' Meeting for consideration and approval include :

1. The sale or transfer of all or partial portions of the Company's business to other persons
2. The purchase or takeover or transfer of business from other companies or private companies
3. The execution, amendment and termination of agreements concerning the leasing out of all or substantial parts of the Company's business, the delegation of authority to other persons to manage the business of the Company or consolidation with other persons for the purpose of sharing of profit and loss
4. The amendment of the Memorandum or Articles of Association of the Company
5. The increment or decrement of capital, the issuance of debentures, the consolidation or dissolution of the Company
6. The approval of annual balance sheet and income statement
7. The appropriation of profits and payment of dividends
8. Approval of remuneration for directors
9. Appointment of auditor and determination of audit fees
10. The borrowing of money or the guaranteeing of loans or creation of obligations to the Company with financial institutions or other companies in the amount exceeding Baht 500 million per time
11. The lending of money to other companies in the amount exceeding Baht 500 million per time
12. The investment, joint-venture, increment of capital in subsidiaries, affiliates or other companies in the amount exceeding Baht 500 million per time
13. The expenses for investment in large projects or the acquisition of assets of the Company where the cost of such a project or the value of assets exceeds Baht 500 million per time
14. The sale or disposal of fixed assets of the Company at a sale or disposal price exceeding Baht 500 million per time
15. The operation plan and annual budget of the Company

The Chairman of the Executive Committee may sub-delegate the Executive Committee, Managing Director and Chief Executive Officer, Executive Officer and/or Employee of the Company to approve one or several matters as the Chairman of the Executive Committee considers appropriate, provided that the sub-delegated power may not be sub-delegated any further. With respect to the foregoing approval, the Chief Executive Officer or person delegated by him shall not be able to approve any transaction in which he or any person who may have a conflict of interest would have an interest or might have any other conflict of interest with the Company or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

Appointment and Removal of the Chairman of the Executive Committee

The Board of Directors appoints and removes the Chairman of the Executive Committee with majority vote of the Board of Directors' Meeting.

2.2 Executive Officers

As of 31 December 2017, the Company's Executive Officers consist of

1.	Mr. Tanin	Buranamanit	Managing Director and Chief Executive Officer
2.	Mr. Suraphan	Pussadej	Senior Assistant Chief Executive Officer – Human Resource
3.	Mr. Taweesak	Kaewrathtanapattama	Senior Vice President – Accounting and Finance
4.	Mr. Chuan	Nimkittikul	Senior Vice President – Distribution Center Function
5.	Mr. Suwit	Kingkaew	Senior Vice President – Sustainable Development
6.	Mr. Kosa	Pongsupath	Senior Vice President – Information Technology
7.	Mr. Chairoj	Tiwatmuncharoen	Senior Vice President – Operation
8.	Mr. Skol	Tejasataporn	Senior Vice President – Purchasing
9.	Mr. Vichien	Chuengviroj	Senior Vice President – Corporate Asset and Facilities Management
10.	Mr. Yuthasak	Poomsurakul	Senior Vice President – Merchandising & Marketing
11.	Ms. Lawan	Tienghongsakul *	Senior Vice President – Human Resource

** Ms. Lawan Tienghongsakul was appointed on 22 May 2017.*

The Executive Committee and Executive Officers named above are executives classified according to the definition in the Notification of the Capital Market Supervisory Board under the Securities and Exchange Act.

Managing Director and Chief Executive Officer

The Managing Director and Chief Executive Officer, Mr. Tanin Buranamanit, was appointed by the Board of Directors' Meeting on 7 August 2013 and is authorized to perform duties in relation to the Company's operations and in compliance with the Company's objectives and the resolutions of the Board of Directors and Executive Committee, with authority as determined by the Chairman of the Executive Committee.

In addition, to assist with managing the Company to achieve the set objectives, the Managing Director and Chief Executive Officer is authorized to nominate persons as Executive Officers for consideration and approval by the Chairman of the Executive Committee.

Appointment and Removal of the Managing Director and Chief Executive Officer

The Company's Board of Directors appoints and removes the Managing Director and Chief Executive Officer according to the proposal of the Chairman of the Executive Committee by a majority of votes at the Board of Directors' Meeting.

3. Company Secretary

Mr. Supot Shitgasornpongse is the Company Secretary responsible for the following matters on behalf of the Company or the Board of Directors:

1. Preparing and keeping the following documents ;
   a. A register of directors
   b. Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and the Company's annual report
   c. Notice of the shareholders' meeting and minutes of the shareholders' meeting
2. Keeping the reports of interest filed by the directors or executives ;
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In cases where the Company Secretary vacates his position or is incapable of performing his duty, the Board of Directors shall appoint a new Company Secretary within 90 days from the date on which the Company Secretary has vacated his position or has been incapable of performing his duty. In this regard, the Board of Directors shall be empowered to assign any director to perform the duty as the substitute during such period.

4. Remuneration for Directors and High-Level Executives

Remuneration of directors and high-level executives are based on their responsibility and the Company's operating results. Nomination and Remuneration Committee will consider the payment criteria and compensation format prior to submitting for approval by the Board of Directors. The Board of Directors will approve the remuneration for high-level executives and remuneration for the directors will be approved at the shareholders' meeting, which is held annually. The remunerations are adjusted benchmarking with other companies in the same industry and maintained at the level that is able to motivate and retain high-quality directors and high-level executives.

(1) Cash Remuneration

(a) Remuneration for Directors

The 2017 Annual General Meeting of Shareholders on 20 April 2017 approved the same rate of remuneration for directors as previously approved in 2016, as follows:

		Baht/person
1.	Independent Director who is the Chairman of the sub-committee	120,000
2.	Independent Director who is the member of the sub-committee	100,000
3.	Independent Director who is not a member of the sub-committee	80,000
4.	Chairman	120,000
5.	Vice Chairman	100,000
6.	Director	60,000

The Independent Director who is the member in several sub-committees shall receive only the highest rate of only one sub-committee.

In addition, the shareholders' meeting approved the bonus for directors at the rate of 0.50% of the dividend paid to the shareholders. The Chairman of the Board will allocate the appropriate amount of bonus to each director.

Remuneration for Directors (1 January – 31 December 2017)

(Million Baht)

Name and Surname	Positions	Remuneration	Bonus	Total
1. Prof. Dr. Komain Bhatarabhirom	Chairman of the Audit Committee and Independent Director	1.440	4.586	6.026
2. Mr. Pridi Boonyoung	Audit Committee and Independent Director	1.200	3.912	5.112
3. Mr. Padoong Techasarintr	Corporate Governance Committee, Remuneration and Nomination Committee, Audit Committee, and Independent Director	1.200	3.912	5.112
4. Adjunct Professor Prasobsook Boondech *	Chairman of the Corporate Governance Committee and Independent Director	1.440	3.237	4.677
5. Police General Phatcharavat Wongsuwan	Corporate Governance Committee, Remuneration and Nomination Committee, and Independent Director	1.400	3.507	4.907
6. Mr. Dhanin Chearavanont	Chairman and Chairman of the Remuneration and Nomination Committee	1.440	4.586	6.026
7. Mr. Korsak Chairasmisak***	Vice Chairman	0.500	3.912	4.412
8. Mr. Adirek Sripratak	Director	0.720	2.158	2.878
9. Mr. Umroong Sanphasitvong	Director, Corporate Governance Committee, Remuneration and Nomination Committee	0.720	2.158	2.878
10. Mr. Soopakij Chearavanont	Director	0.720	2.158	2.878
11. Mr. Narong Chearavanont	Director	0.720	2.158	2.878
12. Mr. Prasert Jarupanich1	Director	0.720	2.158	2.878
13. Mr. Pittaya Jearavisitkul ***	Director	0.300	2.158	2.458
14. Mr. Piyawat Titasattavorakul ***	Director	0.300	2.158	2.458
15. Mr. Tanin Buranamanit	Director	0.720	2.158	2.878
Total		**13.540**	**44.916**	**58.456**

**** Mr. Korsak Chairasmisak, Mr. Pittaya Jearavisitkul, and Mr. Piyawat Titasattavorakul notified their intention not to receive regular monthly remuneration of directors for a period of one year starting from August 2016 onwards.*

In addition, the Company's Audit Committee received remuneration of Baht 32,000 from a subsidiary company (Panyapiwat Institute of Management) for being their Audit Committee in 2017.

(b) Remuneration for High-Level Executives

In 2017, the Company paid remuneration for high-level executives (Executive Committee and Executive Officers), comprising of salary and bonus, totaling Baht 366.898 million.

(2) Other Remuneration

(a) Other remuneration for directors

-none-

(b) Other remuneration for high-level executives

1. Provident Fund

The Company has established a provident fund, with the Company contributing 2 percent of monthly salary. In 2017, the Company contributed a total of Baht 4.609 million to the provident fund for high-level executives.

2. Employee Joint Investment Program (EJIP)

The Company has established an Employee Joint Investment Program (EJIP) to provide incentives and keep personnel working with the Company for a long time. The Employee Joint Investment Program No. 3 has duration of 5 years. Executives who are eligible for the EJIP must have been employed with the Company for at least 3 years. The Company deducts 5 percent or 7 percent (on a voluntary basis) from the employee's monthly salary. The Company contributes 80 percent of the deductible amount from the employee in each month. In 2017, high-level executives joined the EJIP and the Company paid a total of Baht 11.162 million in contribution.

5. Personnel

(1) No. of Employees and Remuneration for Employees

2017	Convenience Store Business
Store employees (Persons)*	39,736
Head office staff (Persons)*	11,722
Total (Persons)	51,458
Remuneration for Employees (million Baht) * Comprises of salary, bonus, EJIP, provident fund and other fringe benefits	20,584

**Included only company's permanent staff*

(2) The Company's Preparation regarding Human Resources

The Company has made preparation regarding human resources by creating a strong foundation relating to education in order to build personnel to be prepared for business expansion. The Company uses "Work Base Learning", which is learning coupled with actual practice, with students at the Vocational Certificate, High Vocational Certificate and Bachelor's Degree level in the educational institutes established by the Company. These students will receive orientation before training in the Company's branch stores and office.

In addition, the Company has a concept related to diversity management in order to support the new generation who will be an important force for the Company in the future.

(3) Policy on Employee Development

The Company gives importance to employee development in response to business strategies and direction in order to create competitive advantage. The Company has enhanced the capabilities of employees to support the growth of stores and distribution centers. It has developed employees using various methods to create confidence among various customer groups. In terms of product quality, some of the courses are Food Safety Management and Control, and Bakery Product and Chilled Product Management. For development of quality of service, there are courses to increase the employee's knowledge, skill and attitude towards service to customers, as well as to elevate the service standard for staff at stores, including promoting a work culture of good service.

The Company strives to develop employees to have morals, high calibre, and happiness, including enjoyment in their work which leads to high engagement with the Company. The Company provides sufficient and continuous development to every employee at every level. There are standard courses for each position level to support their growth for positions in the organization by using the Competency Based program. Such professional courses include analytic and location exploration, store construction management, product management, product quality development and guarantee, and etc. In addition, the Company provides the leadership development program for every management level in order to develop strong leaders to drive the organization forward. In doing so, the Company emphasizes "Action Learning" as well as cultivating morality, ethics, and corporate governance in performing duties. Furthermore, there are spiritual development courses at every level.

The Company gives continued importance to support a good working atmosphere in order to enhance its productivity and reduce management costs. The Company has instilled the concept, attitude, knowledge and techniques to improve quality of work among employees. In addition, the Company has organized the "Productivity Improvement Project" to encourage employees at all levels to join in improving their work productivity in order to create useful and valuable innovations for the organization.

During 2017, the Company undertook various training programs and activities as follows :

- FC to BC Training Program

The Company places much importance in the FC (Field Consultant) group, which is a staff position with a role in the operations management of the stores that are located throughout the nation. The objective of this training program is to upgrade the abilities and increase the potential capabilities of the FC in becominga BC (or Business Consultant) or a Store Business Partner with regards to overseeing the operations and management

of a store to be more effective as well as to achieve increased sales revenues. This is a new role that requires the staff position to continually adapt and change in response to the changing business trends. The training program involves a skills development process that includes the selection of the FC staff as well as determining an appropriate staff development program specifically suited to each respective FC staff group, that focusses on actual stores management experience through an Action Learning process and on undertaking various relevant projects together with a self-learning program and then assessing the respective capabilities.

- Signature Service Training Program

The Company drives the achievement of its services strategies through undertaking the Signature Service Program, which is designed to create longterm relationships with its customers. This program involves providing enhanced, attentive and sincere services that are unique, through focusing on instilling a Service Mindset in all the staff throughout the organization as well as on recognizing the importance of a services oriented corporate culture. The objective is to facilitate the customer to have a positive customer experience, as well as to enable the Company to achieve a unique competitive business advantage through developing the 5 Services DNAs together with through undertaking various activities to promote and drive innovative ideas in providing customer services and achieving an excellent services ambiance or environment.

- Productivity Improvement (PI) Training Program

Recognizing that a key factor in achieving a unique competitive business advantage for the organization is the ability to increase its overall productivity and also in corresponding to the core strategy as determined by the Management of “4 Addition and 1 Control” as well as “Our Way” which is related to innovation. The Company encourages its staff at all levels of the organization to have the opportunity to propose an innovative idea together with making use of the respective individual/team capabilities to improve all the various aspects of their work outputs (ie: product, service, process). As such, this improvement can be achieved gradually through use of Problem solving tools,Task Achievement, and KAIZEN or in a breakthrough (ie: Cross functional-PI) manner so as to be a real Company-wide innovation. The Company also undertook training courses on productivity improvement as well as created a PI Master to coach the staff within those operating units that are always initiating and implementing productivity improvement activities. Additionally, various activities are held to promote internal competitions to select those people/teams with the top-most achievement in productivity improvement as well as to facilitate sharing of ideas and knowledge together with making field visits to observe productivity improvement activities elsewhere outside the Company.

Report of the Corporate Governance Committee

The Corporate Governance Committee, appointed by the Board of Directors of CP ALL Public Company Limited, comprises 4 directors, including 3 independent directors namely Adjunct Prof. Prasobsook Boondechas Chairman of the Corporate Governance Committee, Pol. Gen. Phatcharavat Wongsuwan as member of the Committee and Mr. Padoong Techasarintr as member of the Committee, and one executive director, namely Mr. Umroong Sanphasitvong as member of the Committee. Mr. Supot Shitgasornpongse, Company Secretary, is the Secretary of the Corporate Governance Committee. In addition, the Corporate Governance Sub-Committee comprising representatives from the Company's business units is formed as a mechanism that enhances the Corporate Governance Committee to perform with independency in accordance with the responsibilities stipulated in the Charter of the Corporate Governance Committee.

In 2017, the Corporate Governance Committee held a total of 4 meetings. All four members attendedall meetings. The Committee have discussed with Chairman of the Corporate Governance Sub-Committee, executive management and the Company's advisor on the report of the performance and suggestions provided. The Corporate Governance Committee's performance has been summarized and reported to the Board of Directors once every six months. Significant matters can be summarized as follows:

1. **Approval of the Charter and Appointment of the Corporate Governance Sub-Committee as well as Plan and Guidelines for the Sub-Committee**

   On 26 April 2017 the Corporate Governance Committee has approved the improvement of Charter of the Corporate Governance Sub-Committee which was amended for suitability and appointed a new Corporate Governance Sub-Committee as agreed and proposed by the Corporate Governance Sub-Committee, aiming to provide flexibility in performing duties and to cover all related business units.

   Additionally, the Corporate Governance Committee has agreed on the plan and short-term implementation guidelines of the Corporate Governance Sub-Committee as well as made recommendations to increase the efficiency of the Company's corporate governance implementation plan.

2. **Providing consent on the Charter of the Board of Directors and Corporate Governance Practices for the Board of Directors**

   The Corporate Governance Committee has agreed on the Charter of the Board of Directors and Corporate Governance Practices for the Board of Directors, which has been defined in keeping up with the key principles, sub principles and practices of the Corporate Governance Code for Listed Companies 2017, issued by the Securities and Exchange Commission (SEC). The Code was applied where suitable in the Company's business context. Unapplied principles, which were not suitable for the Company's business, were summarized along with rationale and alternative measures and deemed appropriate to present to the Board of Directors for consideration. The Board of Directors has approved the Charter of the Board of Directors and Corporate Governance Practices for the Board of Directors as mentioned on 13 November 2017.

3. **Amendment of the Business Ethics Handbook and Professional Conduct as well as the Corporate Governance Practices for Executives and Employees**

   The Corporate Governance Committee has amended the Business Ethics Handbook and Professional Conduct as well as the Corporate Governance Practices for Executives and Employees to provide more information in preparation for being the Dow Jones Sustainability Indices (DJSI) member, with a focus on human rights.

Furthermore, the Committee has approved the amendment of Corporate Governance Practices for Executives and Employees as well as agreed on the amendment of the Business Ethics Handbook and Professional Conduct and deemed appropriate to propose the Board of Directors for consideration. The Board of Directors has approved the amendment of the Business Ethics Handbook and Professional Conduct as mentioned on 10 August 2017.

4. Practices for Directors, Executives and Employees on Acceptance and Disposal of the Company's Securities

The Corporate Governance Committee was acknowledged on the practices for directors, executives and employees on acceptance and disposal of the Company's securities to be in compliance with the Corporate Governance Policy and the Business Ethics Handbook regarding the prevention on the use of insider information from the abuse of such information by those who possess it before disclosure to the public.

5. Acknowledgement on Related New Notifications and Laws

The Corporate Governance Committee has been acknowledged on details of the amendment of the Securities and Exchange Act B.E.2535 to prepare for readiness of the arrangement of Annual General Meeting of Shareholders of listed companies in accordance with the SEC's regulations.

6. Acknowledgement on becoming the member of Dow Jones Sustainability Indices (DJSI)

The Corporate Governance Committee has been acknowledged that the Company was selected as a member of Dow Jones Sustainability Indices (DJSI) - Emerging Market, Food & Staples Retailing, according to DJSI's announcement on 7 September 2017.

7. Acknowledgement on the Progress of Uplifting Corporate Governance Standards and the Report on Implementation of the Corporate Governance Policy and the Anti-Corruption Policy

The Corporate Governance Committee has been acknowledged on theprogress of uplifting corporate governance standards and the report on implementation of the Corporate Governance Policy and the Anti-Corruption Policy as follows:

- IT Governance Project
- Managing gifts and souvenirs with value worth over 3,000 Baht
- Communicating on and encouraging the business ethics and anti-corruption
- Defining indicators and criteria of the evaluation of the Company's performance in corporate governance
- Arranging seminars and training courses on the Corporate Governance Policy and Anti-Corruption Policy
- Providing stakeholders and related parties, including executives and employees, with communication channels to voice complaints or whistleblowing when being treated unfairly
- Becoming a certified member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on 18 August 2017 from the CAC Committee, with the certification lasting three years from the date of the certification resolution
- Performing duties based on corporate governance in Human Resource, Sustainable Development and Distribution Center departments, with the provision of recommendations to allow each business unit to perform efficiently and create tangible outcome, in line with Company's Risk Management Policy

8. Acknowledgement on the Assessment of the Corporate Governance Committee's Performance

The Corporate Governance Committee has acknowledged the Acknowledgement on the assessment of the Corporate Governance Committee's performance in 2017. It can be summarized that the Corporate Governance Committee has performed its duties completely based on the tasks assigned by the Board and within the scope stipulated in the Charter.

The Corporate Governance Committee highlights the importance on corporate governance, ensuring that the Company strictly complies with the Corporate Governance Policy, the Business Ethics and Professional Conduct Handbook, Anti-Corruption Policy and other related guidelines. The Committee is also committed to promote and develop the organization to be efficient, upholding transparency, ethics and responsibility towards all stakeholders when operating its business.

On behalf of the Corporate Governance Committee

(Adjunct Prof. Prasobsook Boondech)
Chairman of the Corporate Governance Committee
20 January 2018

Report of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established by the Board of Directors of the Company and is comprised of 3 persons, with at least half must be Independent Directors, as well as with the highest ranking Executive of the Company's Human Resources acting as the Secretary of the Remuneration and Nomination Committee.

During 2017, the Remuneration and Nomination Committee held a total of 3 meetings, which were attended by all the Committee Members during their respective term of office, as shown below:

NAME		Period of being in office	Meetings Attendance - 2017 (Number of times)
Mr. Dhanin	Chearavanont	January 1 - August 28	1
Police General Phatcharavat	Wongsuwan	January 1 - December 31	3
Mr. Padoong	Techasarintr	January 1 - December 31	3
Mr. Umroong	Sanphasitvong	January 1 - November 13	2
Mr. Soopakij	Chearavanont	November 13 - December 31	1

Remarks

1.	*Mr. Dhanin*	*Chearavanont*	*Had a term of office as a member and Chairman of the Remuneration and Nomination Committee up to February 23, 2017 and resigned from this position effective as of 29 August 2017.*
2.	*Police General Phatcharavat*	*Wongsuwan*	*Appointed as the Chairman of the Remuneration and Nomination Committee effective February 23, 2017*
3 .	*Mr. Umroong*	*Sanphasitvong*	*Resigned from the Committee effective 14 November 2017*
4.	*Mr. Soopakij*	*Chearavanont*	*Appointed as a Member to replace the Member who resigned on November 13, 2017*

Currently, the Remuneration and Nomination Committee is comprised of 2 Independent Directors, namely are Police General Phatcharavat Wongsuwan, Chairman of the Remuneration and Nomination Committee, and Mr. Padoong Techasarintr, Member of the Remuneration and Nomination Committee, together with a Director of the Company, Mr. Soopakij Chearavaniont, and with Mr. Suraphan Pussadej, Senior Assistant Chief Executive Officer – Human Resource acting as Secretary to the Committee.

In 2017, major tasks carried out by the Remuneration and NominationCommittee that were presented to the Board of Directors can be summarized as follows:

1. Nomination of the Company's Directors

The Remuneration and Nomination Committee has considered the criteria and procedure in nominating individuals with qualifications appropriate to assume the director position. The Committee also considered the suitability of the candidates nominated in substitution of the Company's directors retiring by rotation and proposed to the Board of Directors and the Annual General Meeting of Shareholders. In addition, the Remuneration and Nomination Committee provided minor shareholders with opportunities to nominate directorsduring 22 September to 31 December 2016 via the SET Community Portal system and disseminated such criteria and nomination form via the Company's website to inform shareholders in advance. However, no shareholders nominated any candidates for the nomination process in the Annual General Meeting of Shareholders 2017.

2. Determining the Remuneration for Directors and Senior Executives

The Nomination and Remuneration Committee has considered guidelines to determine the remuneration for directors and senior executives as well as methods and criteria of determining fair remuneration, evaluated the compensation of senior executives in line with their performance by hiring external experts as advisor providing information and giving suggestions for the Committee's consideration, and considered the suitability of Director's remuneration in 2017 and proposed to the Board of Directors and the Annual General Meeting 2017.

3. Assessment of the Remuneration and Nomination Committee's Performance

According to the Remuneration and Nomination Committee's Performance in 2017, in comparison with the Charter, it could be summarized that the Remuneration and Nomination Committee performed its duties effectively and within the boundary as stipulated in the Charter.

The Remuneration and Nomination Committee has performed its duties as assigned by the Board prudently and cautiously in particular when considering the suitability of the candidates being proposed for the appointment as directors to ensure that such persons are knowledgeable, skillful, equipped with experiences useful to the Company's business operation and fully qualified under the Public Company Limited Act B.E.2535, the Notification of the Stock Exchange of Thailand and the Announcement of the Capital Market Supervisory Board.

On behalf of the Remuneration and Nomination Committee

(Police General Phatcharavat Wongsuwan)

Chairman of the Remuneration and Nomination Committee

19 January 2018

Corporate Governance

1. Corporate Governance Policy

CP ALL Public Company Limited ("Company") is fully intent on conducting its businesses based on the principles of good corporate governance. This is so as to create value for its businesses on a sustainable basis in addition to building up confidence for its investors. This will also then enable the Company to be fully competitive and to achieve positive performance results, through keeping in mind potential long-term impacts and operating its businesses in an ethical manner, as well as through respecting the rights of and acting responsibly towards its shareholders and all stakeholders so as to benefit society as a whole and to develop or reduce any negative impacts on the environment. Additionally, it will enable the Company to adapt towards any changing operational factors in an effective manner.

The Company has established its Corporate Governance (CG) Policy together with Guidelines on Good Corporate Governance for the Board of Directors, executives and employees, supporting units for corporate governance, and the Internal Audit Office. The Company has also reviewed, improved and updated its Corporate Governance Policy so as to be current and timely with the current situation. This is also to correspond to the current laws and requirements as specified by the concerned Government authorities and other relevant regulatory organizations responsible for overseeing corporate governance practices, together with being in line with international CG standards and always being acceptable standards of CG practices. As such, this Corporate Governance Policy covers 5 key operational aspects: Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Information disclosures and transparency, and the Responsibilities of the Board of Directors.

Additionally, the Company has also prepared and published its Handbook on Business Ethics and Code of Conduct; whereby in 2017 the Company made further improvements in the contents of this Handbook through adding relevant information relating to being a member of the Dow Jones Sustainability Indices (DJSI) with regards to giving importance to respecting human rights. This updated Handbook was communicated and distributed to all Board of Directors, executives and all employee within the organization; and training sessions were also undertaken to inform and educate our employees so that they will fully understand the required operating behavior guidelines in a correct manner, which will then result in the various operations of the Company to be undertaken with good quality and positive moral standards together with fairness, transparency, and full accountability. As such, this Handbook describes the principles and required behavior with regards to professional moral ethics and good business conducts for Board of Directors, executives, and all company employee. This is so that they will all discharge their duties and responsibilities with honesty, full adherence to all relevant laws, transparency, strict observance of the principles of fairness and positive morals, and responsibility towards society; as well as not to be involved with politics and always keeping in mind all stakeholders including the rights of various other parties specified by the law, not to be involved with any acts of human rights violation; to be against corruption, not to accept any unusual benefits or compensation, not to be involved in offering or receiving any bribes, not to be involved with any conflict of interests situations, and not to act in any way that violates or infringes on the intellectual property rights of others.

With regards to the Corporate Governance Code (CG Code) 2017 for listed companies as issued by the Office of the Securities Exchange Commission (SEC), at the Board Meeting No. 6/2017 on May 13, 2017, the Board of Directors acknowledged and considered its contents; then adopted and applied specified requirements that were suited for the Company's business operations, and then made a summary of those requirements that were not applicable for the Company together with the related reasons and the alternative measures established by the Company; whereby all associated details have been documented and incorporated in the related Board Meeting minutes.

Throughout 2017, the Company has fully complied with the CG Code 2017 for listed companies, except for the following aspects

1. The Company needs to have more than 12 Board of Directors, whereby the current total of 15 Board of Directors is appropriate for the size and type of Company's business that is icomplicated, so that they can help to oversee the management operations of the Company's Subsidiaries that are both varied and numerous.
2. The Chairman of the Board is not an Independent Director, since the Company's business is complicated; whereby there is a need for a leader who is capable and well-experienced as well as with extensive knowledgeable in both overall business management and the retail business in particular. Despite the fact that the Chairman is not an Independent Director, the Company has in place an internal audit system that incorporates operating mechanisms to achieve a balance of power, is transparent and based on the principles of good corporate governance and the discharge of duties and that always take into consideration the overall benefits of all stakeholders.
3. The Company has Independent Directors with terms of office exceeding 9 years in total from the initial date of appointment as an Independent Director. This is because our type of business is complexed and thus requires Independent Directors, who are knowledgeable as well as who have specific experiences in and a true understanding of our business operations, which requires a longtime to learn and fully understand. Furthermore, despite the fact that the Independent Directors of the Company have terms of office exceeding 9 years in total from the initial date of appointment, but given their qualifications, extensive experience and reputation it will result in each of these Independent Directors being able to remain fully independent in the effective discharge of their duties. Nevertheless, effective from the date of the AGM 2018, the Company has now determined that Independent Directors of the Company cannot have a maximum term of office exceeding 9 years in total, unless the Shareholders Meeting considers and approves the reasons and necessity for appointing an Independent Director having a term of office exceeding 9 consecutive years in total as proposed by the Company.
4. The Company has not yet appointed an external consultant to help define and propose the required procedures and process for the performance evaluation exercise of the Board that should be undertaken at least every 3 years, and the results of which then should be disclosed in the Company's Annual Report. However, currently each Company Board of Director individually and each Board Committee as a group undertakes an annual self-evaluation of their performance every year; whereby they all carry out a self-assessment of their performance and express their comments in a fully independent manner. As such, the results of the performance self-evaluation activities are used to further develop the effective discharge of the duties of the Board of Directors; and both the criteria and the process used for this self-evaluation exercise are disclosed in the Company's Annual Report. However, the Company will revise the format and procedures for the required self-evaluation exercise by Board of Directors to be in line with the requirements as specified in the CG Code 2017.

2. Compliance to the Corporate Governance Policy and the various relevant Corporate Governance Operating Procedures Guidelines Applicable for the Company

Section 1 Rights of Shareholders

All shareholders are entitled to receive their basic rights, both as an investor and corporate owner, through accepted and trusted methods and standards. These rights include rights to buy, sell and transfer their shares freely; rights to receive dividends; rights to attend shareholders' meetings or assign a proxy to attend and vote on their behalf; and rights to join in deciding on important matters of the Company such as selection of directors and approval of important business transactions that will have an impact on the Company's business direction. All shareholders have the right to vote according to the number of shares they hold. Each share is entitled to one vote and no share has special privileges above other shares.

Besides the above basic rights entitled to shareholders according to the law, the Company also encourages shareholders to use their rights as follows:

Prior to the Shareholders' Meeting

The Company invited individual shareholders or groups of shareholders, who hold minimum shares of not less than 5 percent of the total voting shares of the Company, to propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2017. The Company prepared a form to propose agenda items for the convenience of shareholders and informed shareholders via the Company's website and the Stock Exchange of Thailand during 22 September until 31 December 2016. This was done 90 days before the last day of the fiscal year to allow time for the Company Secretary to screen the proposed agenda items before presenting to the Board of Directors for consideration. In considering the agenda items proposed by shareholders, there are clear and reasonable criteria. In addition, the Board of Directors has a policy not to add agenda items that have not been informed in advance unnecessarily. During this time, no shareholders proposed additional agenda items in advance.

The Company held the Annual General Meeting of Shareholders on 20 April 2017 at the Meeting Room on the 3rd floor, Convention Hall Center, Panyapiwat Institute of Management, Chaengwattana Road, Pak Kret, Nonthaburi. The Company sent out the invitation to the shareholders' meeting and accompanying documents, both Thai and English versions, to shareholders more than 21 days prior to the meeting. This information was also posted on the Company's website at www.cpall.co.th on 10 March 2017, which is more than 30 days prior to the meeting so that shareholders have sufficient time to study the information ahead of the meeting. There were no extraordinary meetings of shareholders in 2017.

The Company's invitation to the shareholders' meeting had clear agenda items and correct and sufficient information as follows:

1. Registration form with barcode that was sent along with the invitation letter to facilitate registration for shareholders
2. 3 types of proxy forms for shareholders to use as appropriate i.e. Proxy form (A), (B), and (C)
3. Minutes of the previous shareholders' meeting

4. Agenda item on appointment of directors stated information on the nominated persons to be selected for the Board of Directors including first and last name, age, education, work experience, training from the Thai Institute of Directors Association (IOD), director position held in other companies separated into listed companies and general companies, type of director position nominated, attendance at meetings in the past year, date position first held in the Company, and term of office since first appointed
5. Agenda to appoint the external auditor, which identify the name and company, education, experience and competency of the auditor, as well as the independence of the auditor and audit fee in order for shareholders to consider the competency and appropriateness of the auditor.
6. Agenda item on the approval of dividend payment stated the dividend policy, proposed dividend payment amount, and dividend payment statistics
7. Explanation on proxies, registration, and required documents to be presented on the meeting day
8. Information on the 3 directors to be appointed by the shareholder to attend and vote on his/her/its behalf; one out of the 3 directors is an independent director
9. The Company's articles of associations regarding the shareholders' meeting
10. Annual Report 2016 and Sustainability Report 2016 with information on nature of business, management discussion and analysis, auditor's report and financial statements
11. A map of the meeting venue with directions for travelling by car or public transport
12. Each agenda item clearly states whether the matter is for acknowledgement or approval, the facts and reasons, the Board's opinions, the rules and procedures for voting, and the number of votes needed for the resolution
13. In order to receive the greatest benefits from the meeting and allow directors and executives to prepare to explain on the meeting day, shareholders are invited to send their questions to the Company prior to the meeting day
14. To provide convenience to the proxies having numerous documents, especially financial institutions, mutual funds or those overseeing the securities for investors, the Company has liaised to ask for cooperation to allow the Company to check the documents in advance prior to the shareholders' meeting

At the Day of the Shareholders' Meeting

The Company organized the Annual General Meeting of Shareholders at Panyapiwat Institute of Management on Chaengwattana Road which has a meeting room that can sufficiently accommodate shareholders. Registration opened 2 hours before the meeting to allow sufficient time to check the documents of shareholders and proxies. To ensure correct and fast registration, the Company arranged sufficient staff and tables and used barcodes for registration. Upon successful registration, shareholders received voting cards for each agenda item for voting in the meeting room.

Before the meeting commenced, the Secretary of the Meeting asked for shareholders' cooperation to turn off their mobile phones to prevent disturbing the concentration of other shareholders. The Secretary then informed the shareholders of the Company's voting procedures. A shareholder of the Company's ordinary shares has one vote for each share of which he/she is the holder. Voting and vote counting was transparent. The barcode system was used in vote counting which made tallying fast and accurate. The voting results of each agenda item, including the number of agree votes, disagree votes and abstain votes, were displayed on the screen for shareholders to easily

view. In the case of agenda items where the directors have conflict of interest or agenda items concerning connected transactions, the screen also showed the number of votes not entitled to vote. In addition, a representative from the auditor was invited to oversee that the shareholders' meeting was conducted correctly in compliance with the law and the Company's regulations, and also monitored the vote counting.

Chairman of the Board of Directors, Chairman of Sub-Committees including Chairman of Audit Committee, Chairman of Corporate Governance, and Chairman of Remuneration and Nomination Committee, as well as, Independent Directors, Directors, Chairman of the Executive Committee, Vice Chairman of the Executive Committee, Managing Director and Chief Executive Officer, and the Company's top executives gave high importance to the shareholders' meeting and were present in all the meetings. The Company's external auditor was also invited to the meeting to provide information and answer shareholders' questions. Moreover, the Company invited representatives from external regulatory organizations such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to observe the meeting procedures. Representatives from the Thai Investors Association also joined in asking questions at the meeting.

In case the meeting has already started, the shareholders who arrive late can still attend and vote for the remaining matters and unapproved agenda.

The Company clearly set the agenda items for the shareholders' meeting as follows:

- In the agenda item of dividend payment, the Company clearly stated its dividend policy and provided details of the proposed dividend amount, record date, tax credit for dividend payment from the Revenue Department, and history of dividend payment for the past 3 years. All details were provided in the invitation to the meeting, providing time for the shareholders to consider the information before attending the meeting.
- In the agenda item of selection of directors, the Company provided opportunity for shareholders to vote on individual directors. Each shareholder shall have a number of votes equal to one share per one vote and must exercise all the votes he/she has to appoint an individual or several persons to be director(s) but shall not split his/her votes among any person or group. The invitation letter has accompanying documents with details of the directors nominated for selection and the clearly stated voting procedures.
- In the agenda item of remuneration for directors, the Company has set the agenda item to consider and approve the remuneration of the Company's directors at the shareholders' meeting every year even though there is no change in the amount of the remuneration from the previous meeting resolution.
- In the agenda that are significant in related to law and regulations and may have impacts on the Company's operation.

The Chairman of the Meeting allocated sufficient time, conducted the meeting appropriately and transparently, and provided opportunities for shareholders to express their opinions and raise questions in each agenda item. The questions and answers were clearly and completely recorded by the Company Secretary. Each agenda item indicated the meeting resolution and result of the votes, including the number of agree votes, disagree votes, abstain votes and unentitled votes. The video recording of the meeting was posted on the Company's website after the meeting to enable shareholders who were unable to attend or interested persons to be informed of the issues discussed during the meeting.

The Company organized the Annual General Meeting of Shareholders in accordance with the related law and regulations and the Company's regulations. Only the agenda items that were indicated in the meeting invitation were considered.

After the Shareholders' Meeting

The Company disclosed the resolution of the shareholders' meeting and the voting results through the Stock Exchange of Thailand within the same day. The Company prepared and submitted the Minutes of the Shareholders' Meeting to the Stock Exchange of Thailand within 14 days from the date of the meeting as well as posted the minutes on its website within 1 month from the date of the meeting. The Company recorded the names and position of directors who attended the shareholders' meeting or were absent, voting procedures, vote counting, meeting resolution, voting results (approved, disapproved, abstained) of each agenda, including questions and answers from the meeting in the minutes.

From the assessment of the quality of the Company's 2017 Annual General Meeting of Shareholders conducted by the Thai Investors Association, the Company received a score of 98.00 out of a total of 100, higher than the average score of listed companies in the Stock Exchange of Thailand of 91.97, as well as the company's score in 2016, even though the score criteria became more challenging.

Section 2 Equitable Treatment of Shareholders

Even though each shareholder has unequal voting rights due to the different number of shares held by each, this does not mean that their basic rights as shareholders are different. The Company gives importance to and recognizes the rights of every single shareholder, whether major or minor shareholders, institutional or individual shareholders, local or foreign shareholders. Therefore, the Company will not perform any acts which are considered as preferential treatment or which will lead to unfair treatment to shareholders under related laws and regulations. In 2017, the Company performed the following:

1. Shareholders' meeting
   - The Company provided an opportunity for minority shareholders to propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2017. The invitation was posted via the Company's website and the Stock Exchange of Thailand 90 days before the last day of the fiscal year to provide sufficient time for shareholders and to enable the Company Secretary to propose the agenda item to the Board of Directors for approval to be included in the shareholders' meeting.
   - In the case where shareholders are unable to attend the meeting in person, the Company proposed 3 directors to be selected as proxies, one of which was Mr. Padoong Techasarintr, who is the Independent Director and Audit Committee, as an alternative for shareholders to appoint one of the directors to attend the meeting as their proxy and vote on their behalf.
   - The Company sent all 3 proxy forms to shareholders so that they can choose the form that best suits their needs. However, in the invitation notice, the Company advised shareholders to use form No. 2 which has the most detail.

- The invitation to the shareholders' meeting clearly states the documents that must be brought on the day of the shareholders' meeting, separated into different cases. Documents that are required for presentation at the shareholders' meeting are according to international practice.
- The Company sent the invitation to the shareholders' meeting and associated explanatory documents in English to foreign shareholders.
- In the selection of directors, the Company votes on individual directors.
- Use voting cards for voting.
- Record the minutes of the meeting in a correct, complete and timely manner.

2. Directors and Executives

The Company has strict written procedures to prevent the use of insider information as follows:

- Established a policy to prevent the use of insider information before it is announced to the public by establishing guidelines for Directors, executives, and employees to disclose tradings of Company's shares and disseminating an announcement warning directors and executives to suspend trading in the Company's shares in the one-month period prior to and one day after the release of the Company's financial reports to the public.
- In the Board of Directors' Meeting, directors or executives with vested interests in connected transactions shall be excluded from attending the meeting and voting on that particular agenda item. In addition, if it is a transaction which must be disclosed or receive approval from shareholders according to the regulations of the Stock Exchange of Thailand, the Company disclosed the details and reasons for entering into the transaction, relationships of the connected persons, and calculations of the value of the transaction so that shareholders are informed of the details of the transaction.
- The directors and executives shall file a report of their interests and that of related persons every year and every time there is a change to the Company Secretary. In addition, copies shall be sent to the Chairman of the Board of Directors and the Chairman of the Audit Committee.
- The directors and executives shall file their holdings of the Company's shares and those held by their related persons and report to the Board of Directors' Meeting every quarter.
- Established guidelines regarding conflict of interest in the Business Ethics and Code of Conduct.
- The related transactions which occurred in 2017 are transparent and fair transactions under the ordinary course of business.
- The Company does not have a business group structure that engages in related transactions that may have conflicts of interest.

Section 3 Role of Stakeholders

The Board of Directors gives much importance to all stakeholders, through taking into consideration their respective rights as specified by the law-regardless of whether they are internal or external stakeholders. As such, this is to create mutual benefits for everyone on a sustainable basis as well as to encourage and promote close cooperation between the Company and the stakeholders in creating stability for the Company.

The Company also gives importance to conducting its business operations with a social responsibility, which also includes operating its business in an equitable manner through respecting human rights, treating the workforce equitably, acting responsibly towards all consumers, taking good care of the environment, participating in community development and Anti-Corruption.

In 2017, the Company revised and updated its Handbook on Business Ethics and Code of Conduct with regards to giving importance to respecting human rights, which is a key policy and operating guideline relating to the treatment of all stakeholders; whereby this updated edition documents all relevant revisions and has been published for distribution to all board of directors, executives and all employee for their information and strict compliance. This is for the inclusion and benefit of all stakeholders.

This CG Policy on the treatment of all stakeholders of the Company can be summarized as follows:

Shareholders: The Company is committed to conducting its business operations in an effective manner as well as with transparency and all due care, in order to achieve positive performance results together with ongoing growth and stable development of the organization, and to increase economic added value for the Shareholders in the long term. The Company also gives importance to its shareholders through adhering to the principle of all Shareholders being equal, together with looking after the benefits of all shareholders alike through having measures in place to protect against the use of inside information for personal benefit of the Board of Directors or the executives.

Customers: The Company gives importance and special attention to its customers with the highest level of responsibility so that our customers will be fully satisfied with regards to the good quality and good value received, through fully disclosing all relevant information to our customers in a transparent and equitable manner as well as through close control of our operations so as to ensure the quality of both our products and services. This is especially so relating to food products, that must be delicious, fresh, clean, safe to eat and always provide good value. Additionally, we are committed to further developing our product and service offerings together with maintaining the sustained good customer relations, through clearly establishing the policy for treating our customers in an equitable manner and acting responsibility towards our customers in our Handbook on Business Ethics and Code of Conduct, that has been widely distributed throughout the Company for awareness and adherence.

Additionally, the Company also has in place mechanisms and procedures that allow customers to access various relevant information, to contact us for business reasons, and to lodge any requests or complaints, such as: via the stores, by mail, via the Company's website, and via our Call Center

Operating Guidelines on the Treatment of the Company's Customers

1. The Company's management and employees must know and fully understand the products and services offered by CP All, as well as giving customers relevant and complete information.
2. The Company's management and employees must study and fully understand the customer requirements in detail before offering any products or services to customers to meet their exact needs; as well as always be interested to seek out additional knowledge and information together with building up their work experiences so as to be more effective at work and achieve improved customer satisfaction.

3. The Company's management and employees must treat all customers in a courteous manner and with respect, as well as must speak politely to all customers.
4. The Company's management and employees must have a positive mindset towards their work in serving customers, as well as give importance to and discharge to the best of their ability the required customer service activities. This will then result in such customer service activities to be of value and effective, and lead to achieving customer service excellence.
5. The Company's management and employees must respect the decision and opinions of customers, as well as must not infringe on any personal rights of customers. They must be happy to receive any complaints from customers and be prepared to immediately rectify the problem. In the event that there are limitations or more time is required to resolve the problem, the customer must be informed of the situation within an appropriate period of time together with periodically keeping the customer informed of the status of the problem that is being resolved.

Employees: Employees are considered to be the most valuable resources as well as being the vital heart of the Company, that enables and supports the business operations to be successful as targeted.Since the Company's operations are driven by a numerous quantity of people, much importance is, therefore, given to paying close attention to and preparing the readiness of the various aspects relating to the Company's people resources-from recruitment, screening and careful selection, to developing their capabilities and taking good care of their needs and problems. This is in order to create, build up and maintain employee engagement and loyalty and also a close relationship with them, so that they will work and grow together with the Company in a sustainable manner. This corresponds to the Company's key philosophy that "Through happy employees, we desire to see smiles from customers."

People Development through Education

Given the number of stores that are dispersed throughout every area and location of Thailand as well as that these stores provide 24-hr convenience services to consumers in every town and communities, recruiting and selecting employees are challenging tasks, in order to ensure that the Company has good and capable people, who are prepared to provide customer services that will result in customers' smiles. Thus, Company has established a foundation upon which to build and develop people by giving importance to education through creating work-based learning courses that emphasizes learning coupled with on-the job-work experience for students with vocational education certificates or BA degrees. They will then attend courses at education centers established by the Company together with other learning institutes of the Group located in Bangkok and upcountry; whereby they will receive both a transfer of knowledge and skills alternating with on-the-job work-experience sessions at our stores and at the Company's offices. As such, these education and skills learning courses coupled with working sessions enable the Company to build up and develop human resources from the new generation of people, who are then knowledgeable and experienced-especially in the retail business-and who are well-prepared to join the Company after completing their Company education and training courses.

Creating Employees Who Are Happy and Who Enjoy Their work

The Company gives importance to the transfer of knowledge to and development of the employees at all levels of the organization, through standard training courses together with additional courses to increase both, their knowledge and their working capabilities as well as leadership skills training courses. Furthermore, the Company emphasizes self-education and further skills development through on-the-job Action Learning, through implementing ongoing training projects that offer opportunities for new employees from various business units to work together with each other under the care of appointed Mentors or "Pi Liang", who are managers acting as personal consultants, supervising, advising and recommending what to do. Additionally, the Company has further training and development projects for 'high talent' personnel, that emphasizes inter-relationships among the employee; such as: Team Power training project that communicates the overall corporate objectives together with instilling a positive moral mindset and positive thinking skills through learning together by undertaking various activities aimed at participants gaining a good understanding and being prepared to pool their mutual energies in working together towards a common goal. This training project is undertaken regularly every year for all employee groups, such as: operations staff, distribution and logistics staff, HO staff, and Store Business Partners; whereby in each year there will be different key learning points and topics that focuses on various means of communications. As for activities aimed at promoting internal close employee relationships and loyalty, each employee group can select to undertaken various respective activities that are most appropriate to their type of work.

Additionally, the Company has various projects that are beneficial to our employees, such as: Work Life Quality project activities that emphasizes on taking care of the health of the employees; walk-run activities; activities aimed at enhancing CP All family inter-relationships; community activities and various other activities to help society, such as: bringing the temple to 7-11 activities undertaken by the Buddhist Religion Group, activities to benefit society undertaken by the Volunteers Group. As such, apart from being recreational activities aimed at distressing employees from their work related problems, all such activities are aimed at developing the employee to be good citizens, to have a positive public spirit, and also to be a good member of society.

In order to create happiness for the staff, the Company has a policy to recruit local staff to create income for the local community. The Company also gives opportunity for staff to voluntarily request to transfer to work in their hometown locations to enable them to stay with families and enhance bonding in the family, which is the important part of the community and the nation.

With regards to welfare benefits, the Company has a policy to focus on the quality of life of its Staff in their work together with on equal treatment for all its Staff. Therefore, there are various employee Engagement projects aimed at enabling its Staff to be happy in working for the Company. There are also regular Staff satisfaction surveys carried out every year through engaging outside research experts to undertake the surveys; whereby the survey results are then used to determine various Staff welfare benefits to be offered so as to meet the needs of the Staff, such as: hospital expenses for the employee and immediate family, life insurance for the employee, employee Provident Fund, and the employee Joint Investment Program (EJIP) that the Company has offered on a continuing basis for the 3rd year for a 5 year period (July 1, 2017 to 30 June 2022), scholarships for the employee and the employee's children, loans for IPD hospitalization expenses, home purchase loans, welfare assistance for the employee and the employee's family in the event of any unexpected emergencies. Additionally, the Company also gives importance to looking after and taking care of the working environment for the employee's personal safety and safety of the employee's belongings;

whereby a Safety Committee has been set up to oversee and train employees about various situations that may occur, to implement various Safety and Protection Programs and Systems, and to undertake various safety-related activities and the '7- Sor' project. As such details of all these projects and activities are included in the Company's "Sustainability Report 2017"

A Strong Corporate Culture for Sustainable Growth

Since 2003, the Company has been fully committed to creating and building a corporate culture of "Harmony", which respects the basic factor that differing people can still establish a common working energy and momentum in working together, as it is often said: "mixing common elements together with differing elements, so as to build unity in being part of the same band". This is achieved, as in the past, through the Company having always promoted and supported employees having to observe and adhere to the "5-7-11" working principles and values, which consist of the following factors:

1) The basic 5 working principles that employees must observe are: love your work, love your customers, love positive morals, love your organization, and love your work team.
2) The 7 values that the Company wishes every employee to have so as to achieve positive results through working together as a team are: strength, courage, keeping your word, unity, generosity, respect others, and enjoy the beauty of life.
3) The necessary 11 Leadership Skills for those in leadership positions so as to create trust, confidence, and respect from subordinates in working together as a team consist of: being sincere,not acting aloof as if you are better than them, talking nicely, not abusing or misusing your power, being a good role model, having positive morals, acting with kindness and compassion, being decisive, caring for society, developing good people, and being open to others.

However, the Company is fully aware of the fast-changing external factors-whether it is technology or social changes-that unavoidably affect and create new challenges for the Company, such as: having the majority of our employees being from Generation Y, accounting for more than 85% of our overall workforce. As such, having employees who work together coming from different generations and having differing beliefs is one of the major challenges that requires the Company to adapt and genuinely face up to the ongoing changes. In 2016, a summary was made of various factors and relevant information, and a corporate workshop was undertaken, with representatives of all levels of the Management Group together with more than 4,000 employee attending, to discuss and identify key issues as well as key operating aspects that would enable the organization to grow and develop in a sustainable manner for the next 30 years. As such, the information that was received together with benchmarking major operational aspects against leading domestic and international businesses were used and resulted in Concept of "Our Way" or "5 Development Aspects", that was concurred to by representatives of the Employee as being key operational aspects that must be implemented and realized in a genuine manner, which consists of the following:

- Accelerate Coaching
- Build Trust
- Call for Smart Self
- Drive Innovation
- Enrich Community Awareness

As such, the Company has defined a 3-year Plan in order to implement and realize the agreed Concept of Our Way. In 2017, the Company focused on communications, in order to build full awareness and understanding of the necessity for implementing the Concept Our Way, through communicating and informing the Concept: Our Way to all employees via all communication channels together with undertaking various workshops as a means of communicating directly with employees at the management level, with the objective of achieving 100% direct communications with this employee group. This activity plans has been fully implemented and achieved as planned.

Establishing Organization Good Governance so as to be a Sustainable Organization

2017 was the year in which the Charoen Pokphand Group and the Company gave great importance to making the organization to become an organization that will develop further in a sustainable manner. The Company started the associated Project and also issued various related initiatives together with many measures aimed at driving this Project-such as: the Corporate Governance Program, Anti-Corruption Program, and the Human Rights Due Diligence Program; as well as established mechanisms and channels of communications to receive suggestions and complaints from customers and employees such as at the stores, by mail, via the Company's website, as well as via the Call Center; and the Whistle-Blowing Program that focuses specifically on receiving complaints and inputs received from employees.

Policy on Human Rights and Treatment of the Workforce

The Company has a policy on human rights and on treatment of the workforce. This is an indication of both the recognition by and responsibility of the Company in promoting its observance of the international Declaration of Human Rights, through determining the policy and associated operating procedures that correspond to the recommendations by the UNGP: UN Guiding Principles on Business and Human Rights. Additionally, the Company is committed to maintaining the principles of the UN Global Compact on human rights (Principles 1 and 2) and the operating guidelines with regards to the workforce (operating guidelines 3-6).

Operating guidelines on human rights and with regards to the workforce

1. Respect and strictly comply with the established rules and regulations of the Company, including related domestic and international laws.
2. Regularly monitor and assess risks and impacts on human rights as well as providing appropriate risk management guideline or control measures, of which all business units are in charge to ensure that risk management is fully implemented in their area of responsibility.
3. Develop proactive two-way communications, in order to promote awareness, knowledge and understanding of their role in respecting human rights. This will also allow employees and stakeholders to have an opportunity to express their opinions with regards to any issues and to submit any information or complaints on any alleged infringement and violation of human rights.
4. Establish procedures to investigate any information or complaints submitted after being informed by any employee and/or stakeholder, together with reporting the matter to senior management, in order that further operational development, relief or remedy and resolution of the reported problem affecting human rights can take place as required and as appropriate.

5. Disseminate and communicate this policy to the Company's business partners, in order that they may also have procedural guidelines in managing such risks so as to protect the Company from being a part of any associated operating activities involving a violation of human rights.
6. Encourage and support the Company's business partners to also join in operating their businesses with ethics and responsibility towards society, in order to promote a corporate culture of mutual respect together with the development of business competitiveness in a sustainable manner. Hence, the Company's commitment to fully respect human rights is clearly reflected in the establish policy on the management of various key business operational aspects of the Company as follows
    - Corporate Governance Policy
    - Business Ethics and Code of Conduct Policy
    - Corporate Social Responsibility (CSR) Policy
    - Employment and Labor Management Policy
    - Policy of Diversity and Inclusion
    - Safety, Health and Environment Policy
    - Sustainable Sourcing Policy and Supplier Guiding Principle

Policy of Diversity and Inclusion

The Company recognizes the power of collaboration, that is important in driving the ongoing development and growth of businesses; whereby part of which comes from having a diversity of people within the workforce that can add value to and result in innovation within the Company. Therefore, by managing diversity and accepting differences in an appropriate manner, the Company is able to attract and retain people who are capable and good, as well as bring out and make use of the best potential capabilities from the employees

Operating Guidelines on Managing Diversity and Accepting Differences

1. Leaders at every level must be prepared to listen to differing opinions from others.
2. Encourage and drive employees to be courageous in openly expressing their ideas and opinions that are creative and within the established internal legal framework of the country in which the Company is operating its business.
3. Promote respectful working environment and valuing difference with no discrimination base on personal preferences, personality, race religion, color, gender, generation or marital status.
4. Do not discriminate or bias in recruitment process, through providing equitable access to opportunities for career progression according to performance, competency and growth of the organization.
5. Recognize employee appropriately for their contributions to innovations and work improvement.

Public Sector: The Company conducts and operates its businesses within all the legal requirements, associated regulations and rules, or various other requirements in a strict and correct manner; whereby there is a Compliance Unit clearly established within the corporate organization structure. The Company also supports the operations of its businesses that will benefit the development of the overall economy and society. Additionally, the Company maintains the established good relationships with various Public Sector agencies in an appropriate manner; whereby contacts are made on a regular basis in an open manner, so as to support the required cooperation and assistance with various projects from such agencies.

Intellectual Property Rights: The Company fully cooperates in not violating or infringing on the intellectual property rights of others; whereby the Company specifies in its Handbook on Business Ethics and Code of Conduct that the conduct of businesses by the Company respects the rights of the owner of the intellectual property; as well as has established an associated written policy on this matter together with operating guidelines. This policy and the associated operating guidelines have been communicated within the organization; and meetings have been undertaken to clarify and achieve a full understanding, together with activities to oversee and monitor compliance so that no incidents of any violation of the intellectual property rights or infringements of copyrights will occur. Additionally, punishment or disciplinary actions have been established in the event that any such violation or infringement is made.

Society, communities and the environment: The Company conducts its businesses through always being aware of "being a nearby close friend, who knows your desires and needs," which means being an integral part of society and the community. As such, everyone feels that a 7-Eleven store is a good neighbor, and that whenever there is any event or situation, they always think first of a nearby 7-Eleven store. For this reason, it is one of the most important mission of the Company is to operate its business by always being aware of its responsibility towards the community, society and the nation, through adherence to the principles of good governance such as operating its business in an ethical manner and with good moral standards; acting an equitable manner towards every involved party, and taking care of the environment in a genuine manner. The Company aims to support any activities to further develop the quality of life of the immediate and nearby community and society as a whole, in order to improve and enhance the ongoing positive benefits of all communities in a sustainable manner.

With regards to responsibility towards the environment, the Company has a project to reduce the volume of used plastic bags waste, whereby the Company is campaigning and promoting a reduction in the use of plastic bags when purchasing goods from 7-Eleven convenience stores; and a pioneer "7 Go Green" project to conserve the use of energy in every 7-Eleven stores and to use air conditioning units with inverters that reduce the amount of greenhouse gas released into the atmosphere together with installing waste water treatment systems for waste water from 7-Eleven stores prior to being released into the main waste water drains of the community.

Business Partners: The Company treats business partners in an appropriate, honest, transparent, and equitable manner as well as equally; and also in not making decisions based on personal judgements or established personal relationships. As such, clear sourcing procedures have been established together with purchase agreements that are equitable. There are policies in place to protect against and prevent any conflicts of interests, when making decisions on sourcing from and on doing business with any business partners. There are also policies to ensure sourcing in

a sustainable manner, together with operating guidelines for business partners in order to be ensure that every business partner of the Company will receive both equal and equitable treatment, Further, business partners are advised and overseen that they all respect human rights, treat their respective workforce in an equitable manner, and be responsible towards society and the environment. Business partners are also monitored and evaluated in order to mutually further develop business operations in a sustainable manner. Additionally, the Company has also established a procedure undertake business activities with business partners through using the internet or E-Auction.

Creditors: The Company observes and adheres to all commitments and obligations, together with treating creditors in an equitable manner, based on the ranking or priority of creditors as agreed in the loans agreements executed; whereby the associated operating guidelines are as follows:

- Strictly observe and adhere to the terms and conditions as agreed with the creditor.
- Oversee and ensure that the complete repayments of loans principle amount and associated interest charges are made to all types of creditors in a timely manner as agreed; also observe and comply with all the loans terms and conditions as agreed together with not using the loan proceeds that contradicts the agreed objectives in borrowing the funds.
- Operate the business so that creditors will have full confidence regarding the Company's overall financial position and positive ability to repay the loan as agreed.
- Disclose to creditors all relevant information that are correct, accurate and complete.

Competitors: The Company conducts its business in a fair and professional manner by operating its businesses operations openly and with transparency. It will not create any unfair competitive advantage in an unfair manner through undertaking any dishonest activities that will then have mutual negative impacts; as well as will not seek out any trade secrets or specific confidential information of its competitors by using any unlawful methods or by breaking its agreement not to disclose any information about its competitors regardless of whether having received such information from customers or other persons.

Remarks: With regards to details on the Role of Stakeholders, additional information has been included on this matter in the Company's Sustainable Development Report 2017"

Additionally, The Company's Board of Directors discloses various information and publishes reports on the conduct of its businesses operations to all stakeholders and other involved parties, who should know, through the Company's Form 56-1, Annual Report, the Company's Annual Report, and the Company's Annual Sustainable Development Report, as well as posted on the Company's website etc. The Company has also established a two-way communications channel as an opportunity to allow all Stakeholders and other involved parties to submit any information, suggestions, and complaints, in the event not having received equitable treatment from the actions of Company; whereby associated details and operating procedures guideline are given and posted on the Company's website in the Section on "Anti-Corruption Policy"

Section 4 Information Disclosures and Transparency

A disclosure of information is another vital component of the principles of good corporate governance, to which the Company has always adhered. Thus, the Company has established a policy on disclosing information about the Company, which has been approved by the Corporate Governance Committee.

A disclosure of information is an important medium which help and also enable those Shareholders, who are not directly involved in the management of the Company, to follow and monitor the operations activities of the Management group. The Company gives importance to disclosing information that is correct, complete and sufficiently adequate, as well as regularly, timely, and on an equal basis for all groups of Shareholders. Additionally, apart from the disclosures of information based on the criteria on information disclosures, as specified by the Stock Exchange of Thailand (SET), that correspond to the annual financial period of the Company such as the annual Financial Statements, annual Financial Report Form 56-1, Company Annual Report, Annual Sustainability Report, and any other reports for specific situations. The Investor Relations Office of the Company, which acts as a central source of important information disclosures for investors, also prepares various analyses for dissemination to investors that are then posted on the Company's website together with key financial information and key operations performance results. These information disclosures are in the form of Powerpoint Presentations, that show the status and performance results of the Company.

In 2017, Investor Relations Office held conferences and activities for securities analysts, investors and the press & media, which senior management also participated to give information and answer questions as follows:

- Quarterly analysts meetings for a total of 4 times
- Non-deal roadshows in Thailand and overseas for a total of 14 times
- Company visits for a total of 54 times
- Conference calls for a total of 14 times
- Stores, manufacture site, and DC visits for a total of 10 times

Investors are able to contact the Company to request information about the Company via the telephone or email, and by attending any investors' meetings or presentations. Additionally, investors can access and view relevant information through accessing the Company's website:

http://www.cpall.co.th/Investor-Relations

Or contact to request for information from the Company's Investor Relations (IR) Department as shown below:

Telephone	:	0-2071-2501
Facsimile	:	0-2071-8617
Email	:	investor@cpall.co.th
By Letter or Mail	:	Investor Relations (IR) Office CP All Public Company Limited 119 , Floor 12, Tara Sathon, Sathorn Soi 5 South Sathorn Road, Thung Mahamaek, Sathorn, Bangkok 10120.

In 2017, the Company disclosed information in various formats as required, that included information relating to periodic information and material event as follows:

Financial Information

Financial Statements of the Company that are prepared in accordance with generally accepted accounting standards and that have been audited and expressed unqualified opinion by the appointed independent external Auditor as well as that have been reviewed and approved by the Audit Committee. Additionally, the Company has never had a history of having to revise and correct any Financial Statements, as well as have always submitted both the Quarterly and Annual Financial Statements of the Company before the required deadline as specified by law.

Non-financial Information

1. The Company has always disclosed various non-financial information as required by the applicable laws, in an accurate, complete, timely and transparent manner, through the SET's communications channels as well as on the Company's website. As such, the various non-financial information have also been regularly updated.

   Information disclosed and posted on the Company's website:

   - Vision and Core Values of the Company
   - Nature of the Company's Business
   - Names of the Company's Board of Directors and executives
   - Financial Statements, Statement of Financial Position, and Operating Results for the Current and Previous Years
   - Form 56-1 Report and Annual Report (that can be downloaded)
   - Information for Securities Analysts
   - Shareholding Structure
   - Corporate Structure of the CP All Group
   - Names of Major Shareholders
   - Letter of Invitation to Attend the Annual General Shareholders Meeting (AGM) together with the Agenda Items to be considered, and also Minutes of the AGMs for the various years.
   - The Company's Regulations and Memorandum of Association
   - The Company's Policy on Corporate Governance and Anti-Corruption Policy
   - Charter of the Company's Board of Directors
   - Handbook on Business Ethics and Code of Conduct
2. The shareholding structure of the Company is clear, transparent and not complicated. There are no cross-shareholdings or a pyramid shareholding structure. A clear shareholding structure is shown, indicating the Major Shareholders together with the total percentage of shareholdings owned by minority shareholders, as well as shareholdings owned by the Board of Directors and the executives that together account for 0.19% of the total issued and paid up shares.
3. Report on the conflicts of interests of Board of Directors and the executives together with those of any other connected parties.

4. Report on the shares owned by members of the Board of Directors and the executives together with those of any connected parties.
5. Board of Directors' Statement of Responsibility for Financial Reports, together with the Report of the Auditors.
6. Report on the audit fee, with separate details for the audit services and other services provided.
7. Remuneration for the Board of Directors and the executives (as disclosed in the Company's Annual Report in the "Management" section); whereby the total amount of remuneration is appropriate for the respective responsibilities and duties of the members of the Board of Directors and the executives when compared to other similar businesses
8. The number of Board Meetings held and attendance record with the number of times each Board of Director attended various meetings during 2017.

Section 5 Responsibilities of the Board of Directors

The Company's Board of Directors is composed of persons who are knowlegeable, capable, skilled, and extensively experienced; who come from a variety of professions and are well-accepted at the national level. They all have a full understanding of their required role and respective responsibilities. They have an important role in determining the Company's key policies and, together with the Executive Committee and other senior Executives/ Managers, in defining the Company's vision and mission, corporate objectives, financial policy, risk management policy, operating business plans, and annual budgets. They also oversee the operations activities so as to ensure that the defined strategies and annual business plans correspond to the established core corporate objectives and goals; whereby in determining the strategies and annual business plans, a full analysis of the operating business environment, the challenges and opportunities that may impact the Company's business operations have been undertaken, so that the outcome will be a well-defined set of strategic objectives and core operating corporate objectives to which the organization can give importance during the next 5 years,

The Company's Board of Directors has a key role in driving the organization forward, together with the duty and responsibility for overseeing that the business operations are undertaken in line with the established corporate objectives and goals, so as to result in achieving maximum benefits for the Company; as well as that they are based on being socially responsibility, taking into consideration the possible impacts on the environment, acting in an equitable manner towards all Stakeholders according to the principles good corporate governance and the established Company policy on anti-corruption. As such, these business operations activities must also be undertaken in accordance with the applicable laws, the stated corporate objectives and the rules and regulations of the Company and with the various resolution of the Board of Directors together with the resolutions of the Shareholders Meetings. Further, the oversight activities of Board of Directors must be always be undertaken in a positive and ethical manner, with all due care and perseverance, as well as with full responsibility and accountability towards the shareholders.

On November 13, 2017, the Board of Directors, meeting had resolution to approve the Charter of the Board of Directors of the Company and also the Operating Guidelines on Corporate Governance for the Board of Directors, that were established through being based on the 8 Core Principles and Operating Principles together with the Good Corporate Governance Operating Guidelines as specified in the Corporate Governance Code - CG Code 2017 and published by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. These CG Principles and Operating Guidelines were adapted to be appropriate and suitable for the Company's

business operations; and are for reference and use by the Company's Board of Directors in their responsibility to oversee the Company's operations, in order to achieve positive operating performance results in the long-term together with confidence on the part of Shareholders and society as a whole so as to benefit the Company in creating ongoing added value for its businesses on a sustainable basis.

Additionally the Company also encourages and supports every Board of Director to attend Directors training programs that will further develop their knowledge offered by the Thai Institute of Directors (IOD) and other institutes on an ongoing basis, so as to increase their effectiveness and productivity in their capacity as a Company Board of Director. This will create further confidence on the part of Shareholders and general investors that Board of Directors possess the knowledge about and understanding on discharging the duties and responsibilities as a Board of Director according to the principles of good corporate governance. In this regard, the Company Secretary is responsibilities for coordinating that all Board of Directors consider attending the respective training programs available.

1. Composition and Qualifications of the Board of Directors

1.1 The Company's Board of Directors is composed of at least 5 Directors, and at least half of the total number of Directors must reside within the Kingdom of Thailand; whereby they represent the major shareholders who are not executives or part of the management team, and Directors who come from the executives team. This is so that the Company is able to discharge its responsibilities in an effective, efficient and productive manner. Further, at least one-third of the total number of Directors must be Independent Directors, of whom must be not less than a total of 3.

1.2 The Directors of the Company are appointed and must possess the complete qualifications as well as do not possess any disqualifications as specified by Public Company Act, Notification of the Securities and Exchange Commission, and Notification of the Stock Exchange of Thailand. Directors must possess the knowledge, capabilities, extensive expertise and experience that will be genuinely beneficial for the Company. They must also possess the dedication and be able to devote much time in genuinely discharging their required duties in accordance with their assigned responsibilities together with leadership skills and broad vision. They must also be a person with good moral and ethical standards, and have a positive professional history.

1.3 The Company's Independent Directors must possess the qualifications as specified by the Charter of the Board of Directors with regards to the qualification of Independent Directors, that have been specified in detail and are more comprehensive and stringent than those minimal qualifications specified by the SEC and SET with regards to the ownership of Company shares.

1.4 The Chairman of the Board of Directors is not on an executive and is not the same person as the Chairman of the Executive Committee, whereby there is a clear separation of authorities and roles between Board of Directors and the Management. Additionally, the Chairman of the Board also encourages every Director to debate and discuss as well as freely and fully express their opinions in Board Meetings by allowing adequate time.

1.5 In order to ensure that Directors are able to dedicate their time adequately in discharging their responsibilities towards the Company, it has been determined that each Director is limited to being a Board of Director in not more than a total of 5 listed companies concurrently; whereby there is to be an system in place to report their Board of Directorships in other listed companies, so that it will not be a obstacle in discharging their responsibilities towards the Company, and such reports should be open for acknowledgement.

In regards to the authorization of the Chairman of the Board of Directors and of the Chairman of the Executive Committee, these have been defined and determined by the Board of Directors of the Company-especially with regards to the requirement that any important matters must be submitted to the Board of Directors for consideration and approval.

1.6 The Board of Directors has appointed a Company Secretary, and has disclosed details regarding the appointed Company Secretary in the Section: "The Board of Directors". The Company Secretary is responsible for explaining and making recommendations regarding to the various legal and regulatory requirements that the Board of Directors must be aware of and know, together with for overseeing and also coordinating the activities of the Board of Directors so that the discharge of their responsibilities are in strict accordance with the various Board resolutions. There is also an Office of the Company Secretary as a support unit, whereby the core duties and responsibilities of the Company Secretary are indicated in the Form 56-1 under section "Management"

2. Role, Duties and Responsibilities of the Board of Directors

All the members of the Board of Directors of the Company have a full understanding of their respective individual role, duties and responsibilities together with the nature of the Company's business. As such, the Office of Company Secretary has prepared a Handbook for Board of Directors for presenting to newly appointed Directors, which Handbook contains detailed information relating to being appointed as a a Board of Director of the Company, such as: the Company's business operations, Company Annual Reports, the Company's Articles of Association, the Company's Objectives, the Company's Handbook on Business Ethics and Code of Conduct as well as Handbook on the Company's Corporate Governance, Charter of the Board of Directors and associated Company's Operating Guidelines on Corporate Governance for the Board of Directors together with the Scope of Authority of the Board of Directors. Additionally newly appointed Directors must attend relevant directors' development/training programs and courses offered by the IOD, with the Company being fully responsible for all associated expenses.

The Duties and Responsibilities of the Board of Directors, as specified in the Charter for the Board of Directors, are as follows:

1. Report any individual situations of conflicts of interests or those of related persons that are related to the management of the Company and of the subsidiary companies and that can be accountable for. As such, this is for the sake of full transparency in the operations of the businesses.
2. Define and determine the corporate vision and mission, objectives, core policies, goals, key strategies, business plans, and annual budgets, through undertaking detailed analyses of the operating business environment and the various changing key operating factors that will impact the overall businesses together with the stakeholders. Also determine the oversight of the executives and their allocation of key resources so as to effectively operate the Company's businesses in accordance with the established policies, objectives and goals for the maximum benefit of the Company and its shareholders. This is to be achieved through taking into consideration all stakeholders, possible impacts on society and the environment, with the business operations being undertaken in a transparent and equitable manner, within the legal and regulatory framework and with good business ethics, together with having a process in place to evaluate the performance outputs and to make improvements so as to achieve effective business operations.

3. Determine, establish and undertake activities in accordance with the established written policy on good governance, business ethics and code of conduct, and policy on anti-corruption as well as various applicable operating guidelines; and undertake a review of these policies and associated activities in accordance with the established policies at least once a year.
4. Determine the policy on risk management together with undertaking an assessment of the potential risks, and determine associated operating guidelines; as well as monitor the actual outputs from undertaking various activities in accordance with the established operating guidelines on risk management.
5. Consider issues relating to situations of conflicts of interests in a careful manner; determine clear operating procedures guidelines so as to achieve full benefits for the Company and its shareholders, whereby all the involved Stakeholders are involved in the decision making process.
6. Consider and approve the Company's operating performance results for each quarter compared with the established plans and budgets, together with assessing the ongoing business trends for the next immediate financial period.
7. Consider and approve any business transactions or activities that will have a significant impact on the financial status of the Company, its loans obligations, and the Company's ongoing business operations and reputation; as well as monitor and ensure the adequacy of the Company's ongoing financial liquidity and its ability to service existing debts.
8. Undertake to establish an accounting system, to prepare financial reports, to have the accounts audited by a reputable party, and to oversee information disclosures together with the preparation of the Company's Annual Reports, Annual Company Information Statement (Form 56-1) that will adequately reflect the actual financial status and achieved performance results; as well as oversee that effective and efficient procedures are in place to review and evaluate the appropriateness of the internal controls and internal audit systems as well as that an opinion is given regarding the adequacy of the internal controls and internal audit systems in the Company's Annual Report.
9. Determine the policy of information disclosures together with the management of Company information so as to prevent any leaking of such information and the protection of any confidential Company information or information that may have an impact on the Company's share price.
10. Promote creativity and support innovation together with making use of creativity and technology to create added value to the business; as well as ensure that the management of information technology systems is in line with the genuine needs of the Company.
11. Consider and determine the establishment of the scope of authority of various Committees such as the Corporate Governance Committee, Audit Committee, and Remuneration and Nomination Committee – so as to achieve operating effectiveness and full benefits for the Shareholders.
12. Consider the appointment of the Chairman of the Executive Committee, Executive Directors, Chief Executive Officer, and Managing Director; as well as determine the scope of approval authority of the Chairman of the Executive Committee together with reviewing such scope of approval authority as appropriate on a regular basis.
13. Establish appropriate channels of communications with shareholders and stakeholders together with ensuring that shareholders participate in the decisions on important matters and key issues of the Company.

14. Establish a succession plan, in order to be well-prepared in the event that a senior executive is not able to discharge the required duties.
15. Ensure and support that all Board of Directors and Executives members fully understand and comply with the legal and regulatory requirements, business ethics and code of conduct, and policy on anti-corruption, as well as the various established operating guidelines.
16. Establish clear directions and operating guidelines for stakeholders or any person wishing to submit any information via the Company's website or directly to the Company with the 'whistle-blowing' channels of communications being the Company's Board of Directors, the Corporate Governance Committee and the Audit Committee; as well as establish clear instructions for a thorough investigations to be made of all information received according to the established procedures and for a full report is to be submitted to the Board of Directors.
17. Oversee Subsidiary Companies, through considering that appropriateness of those persons to be appointed as Directors of the subsidiary companies to oversee that their management is in accordance with established operating policies and that various business transactions are in compliance with the legal and regulatory requirements specified by the laws on securities and by the various announcements of the SET.

3. Appointment and Removal of Board of Directors

Appointment of Board of Directors must be in accordance with the regulations of the Company and the applicable laws. As such, there must be full and clear transparency in the nominations process for new Directors, that must proceed in compliance with criteria and procedures established by the Remuneration and Nomination Committee. As such, this process must also be applicable for those persons proposed for consideration to be nominated by Minority Shareholders in accordance with the criteria and associated procedures specified by the Company. Further, the consideration of possible new nominees must also take into consideration the diversity of the qualifications, gender and age, as well as information of educational and professional background, and past experiences together with areas of special expertise including specific business skills relating to industry sectors, management, finance and accounting, legal matters, and corporate governance, so that the comprehensive information can be used in the decision process by the Company's Board of Directors and/or Shareholders.

The Shareholders Meeting will approve the appointment of new Board of Directors by a majority vote in accordance with the criteria and process as follows:

1. A shareholder is entitled to one vote per one share owned.
2. Each shareholder must use all the entitled votes as per 1, to approve the appointment of one (or more) new Directors as proposed on an individual nominee basis, but cannot divide up the total entitled number of votes by giving more votes to one nominee and less votes to another nominee.
3. The nominee receiving the highest total number of votes among the total number of co-nominees proposed will be appointed as a new Director, so as to result in the total number of new Directors that must be elected at that time. In the event of a tie, such as the second nominee also receives the same total number of votes as another nominee with the top most number of votes-which will then result in the total number of elected Board of Directors to exceed the required total number of Company Board of Directors, then the Chairman will have one additional and deciding vote.

The election and appointment of a new Director be undertaken on an individual Directorship basis and will be based upon the total number of entitled votes of those shareholders present at the time without dividing up the total number of votes. The nominee receiving the highest total number of votes for each new directorship to be chosen will be appointed as a new Board of Director.

In the case that a Director position becomes vacant for any reason other than the normal expiration of the term of office, then the Board of Directors will select and appoint a suitable person, who possesses the required qualifications as well as without any disqualifications as specified by the law in accordance with the Public Company Act and the law on securities as well as by the SET, to become a replacement Board of Director at the next Board of Directors Meeting, unless the remaining term of office of that directorship is less than 2 months. As such, the replacement Board of Director will be a Director for a period equal to the remaining term of office of that vacant position. Further, the Board resolution to appoint the replacement Director requires not less than a 3/4 majority vote of the total remaining number of Board of Directors.

A Board of Director of the Company can be removed from office prior to the expiration of the normal term of office by a resolution of the Shareholders Meeting through a vote of not less than 3/4 of the total number of shareholders present at the Meeting and entitled to vote as well as by a vote of not less than half of the total number of shares held by those shareholders present at the meeting and entitled to vote.

4. Role of the Chairman of the Board

The Chairman of the Board has the following duties and responsibilities

1. Oversee, monitor and ensure that the Board of Directors together with the various Board Committees act in accordance with the assigned duties and responsibilities of the Board of Directors of the Company as well as in an effective manner, so as to achieve the targeted objectives and goals of the Company.
2. Act as the leader of the Board of Directors of the Company and also acts as the Chairman at Board Meetings and Shareholders Meetings and meetings of Non-Executive Directors.
3. Together with the Chairman of the Executive Committee and the Company Secretary, determine the Agenda for Board Meetings; as well as ensure that important matters are included for consideration and that Board of Directors receive relevant information that is complete, accurate, and clearly documented and also in time prior to Board Meetings, so that they may study the information and come a decision as appropriate.
4. During Board Meetings, allocate adequate time for the management to propose matters for consideration; and also encourage Directors to debate, discuss and actively exchange their opinions in an open and independent manner so as to make careful judgments on the issues while taking into consideration the interests of all stakeholders in a comprehensive manner. The Chairman will then summarize the associated issues and the resolution of the Meeting, as well as ensure that the final decisions of the Board of Director are then implemented accordingly.
5. Create and support good working relationships among Executive Directors and Non-Executive Directors as well as between the Board of Directors and the management; and support the Chairman of the Executive Committee in acting in accordance with the established policies of the Company.
6. Support and act as a positive role model in fully complying with the principles of good governance and in accordance with the established good moral standards and business ethics of the Company; as well as oversee and ensure that every Board of Director participate in encouraging to establish a positive corporate culture of having good moral standards and adhering to good corporate governance practices.

5. Scope of Approval Authority of the Company's Board of Directors

The Board of Directors of the Company has the authority to approve various Company-related matters as specified by law, Regulations of the Company, the Charter of the Board of Directors of the Company, and various resolutions of the Shareholders Meetings. As such, this includes determining and reviewing the Company's vision and mission, strategies, financial objectives, risk factors, business plans and budgets; together with approving headcount budgets and plans, and approving the Company's financial statements and operating performance results, as well as approving any important transactions or activities that may have a significant impact on the financial position of the Company and ability to service its debts, the Company's overall business and reputation.

6. Separation of the role and responsibilities between the Board of Directors and the Management

The Company has separated the role and responsibilities between the Company's Board of Directors and the Management in a clear manner, As such the Board of Directors is responsible for determining the organization's overall objectives, goals, core strategies, and key operating policies together with the allocation of key resources so as to ensure achievement of the established objectives, goals; as well as for monitoring, evaluating results and overseeing the reporting of the Company's performance results by the Management at the policy level. At the same time Management is responsible for managing the various operations in accordance with the established objectives, goals and policies as approved and specified by the Board of Directors.

The Chairman of the Board is not the management of the business and not the same person as the Chairman of the Executive Committee, as well as does not participate in the management of the Company's business operations, together with not being the authorize signatory to legally bind the Company. As such, this is to separate the responsibilities between overseeing the overall Company at the policy level and managing the business operations in a clearly defined manner.

As for the Company's Management, it has been assigned the responsibility for operating the business in accordance with the established objectives, goals, annual business plans and budgets as approved by the Company's Board of Directors. The Chairman of the Executive Committee has been assigned the responsibility under the scope of authority as determined by the Board of Directors. While the Chief Executive Officer and Managing Director has also been assigned the scope of authority as determined by the Chairman of the Executive Committee; and the Management group has been assigned the scope of authority as specified in the Company's Handbook on the Separation of Operating Authority.

7. Term of Office as a Board of Director of the Company

- Total number of years for each term of office as a Board of Director

  Company Directors have a total of 3 years for each full term of office, except those persons appointed as a replacement Director for an unexpected vacant directorship due to reasons other than the normal expiration of a term of office and required resignation, in such case, the replacement Director serves out the remaining period of the term of office; whereby the replacement Director may be re-elected as a Director for another full term.

- The total number of consecutive terms of office that can be held by Independent Director

  An Independent Director can have a maximum total term of office of not more than 9 consecutive years, effective from the date of appointment as an Independent Director by the AGM 2018. As such, unless the AGM considers the reasons and necessity as proposed by the Company and approves a further appointment as an Independent Director that will then exceed the maximum of 9 years as stated above.

8. Performance self-evaluation as a Board of Director of the Company

The Company has established a self-evaluation process of the performance of the Board of Directors of the Company on an individual Board of Director basis. This is to enable the Directors of the Company to review and consider their respective performance outputs and achievements together with the various associated issues or obstacles in discharging their duties during the year, which will then enable them to improve their effectiveness as a Board of Director through having a clearer understanding of their individual responsibilities, as well as to enhance the working relationships between the Board of Directors and the Management.

Performance evaluation form for assessing the overall performance of the Board of Directors as a group:

- The composition and qualifications of Board of Directors have a direct effect on the overall Board performance output and effectiveness, such as the total number of Board of Directors that is appropriate for the Company's business operations; the combined knowledge and experiences of the Board of Directors; the definition of Independent Directors; the number of Independent Directors Committees, as well as the qualifications and appointment of the Company Secretary.
- Various activities and operating aspects that will enable the Board of Directors to discharge their duties and responsibilities during Board Meetings in an effective manner such as: the appropriate time taken in holding Board Meetings; receiving detailed information and supporting documents adequately in advance to be able to study them prior to the Board Meeting; and the overall atmosphere during the Board Meeting.
- The role and responsibilities of the Board of Directors in giving importance to and taking adequate time in considering the various agenda as well as in reviewing and undertaking various other activities relating to important Company matters, such as implementing good corporate governance practices in overseeing the Company's business operations; business directions; core strategies and business operating plans; situations of conflict of interests; related transactions; internal controls systems; risks management; policy on the 'whistle-blowing' program; and preparation of the financial statements according to generally accepted accounting standards.
- Other matters, such as self-development of Board of Directors and Management members; and good relationship between the Board of Directors and the Management.

Performance evaluation form for self-assessment of the performance of individual Board of Directors consists of:

- The composition and qualifications of the Board of Directors have a direct effect on the overall effectiveness of the Board of Directors (or Board Effectiveness), namely qualifications, knowledge, skills and experiences that are appropriate for the Company's business operations together with knowledge and understanding about good corporate governance principles and practices.

- Various activities and operating aspects that will enable the Board of Directors to discharge their duties and responsibilities during Board Meetings in an effective manner such as: ability to review and study detailed information and supporting documents in an adequate manner prior to the Board Meeting; expressing opinions that are valuable and beneficial to the meeting as appropriate; leaving the meeting room during discussions of matters in which you have a vested interest.
- Role and responsibility of the Board of Directors, such as having discharged the duties and responsibilities as a Director in the Board of Directors in accordance with the applicable legal and regulatory requirements as well as with the Charter of the Board of Directors in a fully effective manner; having dedicated and devoted time in discharging the responsibilities as a Director for the Company; not interfering with the operating activities of the Management group; as well as overseeing and monitoring the operating activities of the Management group in an appropriate manner.

Self-evaluation form to assess the performance of the member of the Board of Directors on an individual basis contains 5 scoring choices for each aspect,

0 = Definitely do not agree or no activity undertaken in this matter

1 = Do not agree or minimal activity undertaken in the matter

2 = Agree or some degree of activity undertaken in this matter

3 = Agree to a great extent and positive level of activity undertaken in this matter

4 = Definitely agree and excellent degree of activity undertaken in this matter

Additionally, there is space for Board of Directors to make additional comments or to express opinions freely.

Summary of the performance self-evaluation of the Board of Directors as a group

There was a high degree of agreement and a very good level of activity undertaken, with the achieved overall score of 88%; whereby there was only a good degree of agreement and only a good level of activity undertaken with an achieved overall score of 12%

Summary of the performance self-evaluations of Board of Directors on an individua basis

There was a high degree of agreement and a very good level of activity undertaken, with the achieved overall average score of 86%; whereby there was only a good degree of agreement or only a good level of activity undertaken with an achieved overall average score of 14%

9. Directors and Management Development

1. The Company encourages and facilitates those persons involved with good governance of the Company such as Board of Directors, the Corporate Governance Committee, the Audit Committee, the Remuneration and Nomination Committee, members of the Management group, Head of the Internal Audit Unit, and the Company Secretary to attend training programs or various relevant seminars on a regular basis, especially the training programs held by the IOD. As such, this is so that all such persons within the Company can have full knowledge and a good understanding of the respective roles and responsibilities as well as able to improve their respective work on a sustainable basis accordingly.

2. The Company also arranges to hold an orientation program whenever there is a new Director or Management member joining the Company, as well as provide various background information and relevant documents that are beneficial for their work for them to study as guidelines on how the Company operates its business, and to get to learn about the established corporate objectives, vision, mission, corporate values, and overall strategies of the Company.
3. The Board of Directors of the Company has assigned the Remuneration snd Nomination Committee together with the Human Resources Policy Committee to be responsible for the appropriate ongoing management of the Company in a sustainable manner as well as for considering the Succession Plan for the Company. This is especially so with regard to senior Executive and Management positions at the level of Heads of "Business Groups" or Heads of "Office" Units upwards, so as to ensure that the Company has in place plans for recruiting, selecting and preparing specific persons to be the successor to any such key positions, that are vital for the ongoing operations of the Company in the event that the incumbent is promoted or transferred, retires, and resigns, thus resulting in the position to suddenly become vacant. As such, the selection of the successor will be based on that person's achieved past performance, an assessment of that person's potential and degree of preparedness for advancement through using a Performance & Potential Grid system together with their level of career interest as key deciding factors.
4. During the past, the Company still sees the importance of developing leaders in-house, so as to create confidence on the part of all Stakeholders, through taking into consideration their performance each year and long term sustainability.The Company believes that developing leaders internally within the organization, should correspond to the corporate culture of working in harmony; and as such, it places much importance on developing people through the Action Learning Project-ALP (which consists of ongoing projects that brings together both staff and managers from each business functional group to work jointly so as to achieve the establish objectives and business goals of the respective projects. Additionally, the Company also encourages and supports the use of coaching skills in developing leaders at various levels of the organization, which makes use of coaching activities to stimulate each work team to think of different ways of working together so as to achieve an assigned task or project. At the same time, the Company also recognizes the ongoing external changes and uncertainties, the ongoing uncertainties together with the complexities in the overall business environment. Thus, the Company arranges various activities to build increased knowledge and business experiences, so that our leaders will effectively grow and develop in tune with both the current and future ways we conduct our business; whereby this is achieved through attending relevant seminars and training programs. In summary, in the development of leaders at every level of the organization, the Company focuses on actual on-the-job training and learning (70%), on coaching through working jointly with others who are more experienced (20%), and on improving knowledge through attending various relevant seminars and training programs (10%). As such, this is to ensure that the leaders within the Company are able to work and take on various respective roles and responsibilities, so as to serve and meet customers' requirements as well as those of Stakeholders needs, to achieve good customer satisfaction, and to be well-prepared to support the ongoing business operations of the Company going forward.

Attendance at various Directors Training Courses held by the IOD

Company's Board Directors Names / Training Courses/ Year of Attendance	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Accounting for Non-accounting Audit Committee	Monitoring the Quality of Financial Reporting (MFR)	Monitoring the System of Internal Control and Risk Management (MIR)	Monitoring the Internal Audit Function (MIA)	The Role of Chairman	Director Certification Program (DCP)	Ethical Leadership Program (ELP)	Company Secretary	Board Performance Evaluation	DCP Refresher	Role of the Compensation Committee	Driving Company Success with IT Governance (ITG)	Finance for Non-finance Director
1. Prof.Dr. Komain Bhatarabhirom	2007	2007	2007	2009	2009	2009									
2. Mr. Pridi Boonyoung	2005	2010													
3. Mr. Padoong Techasarintr	2005	2008				2008	2001	2003							
4. Adjunct Professor Prasobsook Boondech	2017								2016						
5. Police General Phatcharavat Wongsuwan	2017														
6. Mr. Dhanin Chearavanont	2005														
7. Mr. Korsak Chairasmisak							2006	2000							
8. Mr. Adirek Sripratak	2005							2001							
9. Mr. Umroong Sanphasitvong								2001	2016	2003	2006	2006	2007	2016	
10. Mr. Soopakij Chearavanont															
11. Mr. Narong Chearavanont	2007														
12. Mr. Prasert Jarupanich								2004					2008		2004
13. Mr. Pittaya Jearavisitkul								2000							
14. Mr. Piyawat Titasattavorakul								2001							
15. Mr. Tanin Buranamanit								2010							

** In 2017, there are 2 Board of Directors who attended a Directors training course held by the IOD.*

Additionally, Board of Directors and senior executives members have also attended the "Information Disclosures and Transparency" course, facilitated by a lawyer from Freshfields Bruckhaus Deringer, which is a well-known international legal firm and also an advisor on corporate governance to the Charoen Pokphand Group.

3. Sub-Committees

1. Composition and Components of the Sub-Committees

There are 3 Sub-Committees under the Company's Board of Directors.

1. Audit Committee

The Company's Audit Committee was established by the Board and consists of 3 Directors; whereby all are required to be Independent Directors as well as not be Executives of the Company, with the Manager of the Internal Audit Office acting as the Secretary of the Audit Committee

During 2017, the Audit Committee held a total of 12 meetings, with the Members attending every meeting as follows:

Name	Position	Meetings Attendance – 2017(Number of Times)
1 Prof. Dr. Komain Bhatarabhirom	Chairman, Audit Committee	12
2. Mr. Pridi Boonyoung	Member, Audit Committee	12
3. Mr. Padoong Techasarintr*	Member, Audit Committee	12

** Member of the Audit Committee possessing the relevant knowledge and experience in finance and accounting, and able to review the credibility of the Financial Statements*

The Audit Committee is fully independent in carrying out its duties and responsibilities. Apart from reviewing the Financial Statements, the Audit Committee also reviews that all operational activities are correct and fully comply with all established policies, rules and regulations, applicable laws, and operating regulations, as well as the requirements of the regulatory agencies. The Audit Committee also reviews and ensures that there are effective internal controls and an internal audit system in place together with a comprehensive risk management system. The Audit Committee meets with the external independent Auditor to discuss their opinions and comments about the Financial Statements and internal controls system; as well as prepares a summary report of its activities together with recommendations for improvements for submitting the Board of Directors every Quarter, with details as contained in the Section "Report of the Audit Committee". The Company takes on the various recommendations received from both the Audit Committee and the external Auditors for immediate implementation and improvements, and will then report back to the Audit Committee at the next meeting.

The Manager of the Internal Audit Office is Mr. Krisada Euapiyachart, who also acts as the Secretary of the Audit Committee, through the approval of and appointment by the Audit Committee. There is a supporting group, the Internal Audit Office, which is independent from the management and responsible for reviewing and assessing the adequacy and effectiveness of the various internal controls in place together the various risk management measures; whereby it then reports the results to the Audit Committee every month, as well as submits its reports to the Board of Directors every quarter. As such, details relating to the Manager of the Internal Audit Office together with the Internal Audit unit is disclosed in the Section on "Management"

Qualifications of and Criteria for Members of the Audit Committee as specified in the Charter of the Audit Committee

1. Owning not more than 0.5 percent of the total number of shares with the right to vote and issued by the Company, Parent Company, Subsidiary Company, and Joint Venture Company; or of the Major Shareholder, or of a person with a controlling power over the Company. As such, this total shareholding also includes those shares owned by persons related to the respective Independent Director.
2. Not being or having been a Director involved in the management of the operations of, an Employee of; or an advisor with a monthly retainer to; or a person with a controlling power over the Company, Parent Company, Subsidiary Company, Joint Venture Company, and Subsidiary Company of the same status, Joint Venture Company, the Major Shareholder of, or a person with a controlling power over the Company; unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed to the Audit Committee. As such, this prohibited qualification is not applicable in the event that the Independent Director used to be a Civil Servant or an advisor to the Government Agency/ organization that is a Major Shareholder of or a party with a controlling power over the Company.
3. Not being a person who has a relationship, by blood or by legal registration, as a parent, spouse, sibling or children, as well as spouse of the children, of an Executive of, a Major Shareholder of, a person with a controlling power over, as well as a person proposed to be appointed as an Executive or as a person with a controlling power over, the Company or Subsidiary Company.
4. Not being or having been a person with a business relationship with the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as with a Major Shareholder of or a person with a controlling power over the Company, so as to may be an obstacle to exercising judgments in a fully independent manner. This also includes not being or having been a significant Shareholder of a party or having a controlling power over a party with a business relationship with the Company, Subsidiary Company, Joint Venture Company as well as with a Major Shareholder of or a person with a controlling interest of the Company. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed ti the Audit Committee.
5. Not being or having been an Auditor of the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as of a Major Shareholder of or a person with a controlling power over the Company; as well as not being or having been a significant Shareholder of, a person with a controlling power over, or a Partner of the Audit firm of the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as of a Major Shareholder of or a person with a controlling power over the assigned Company. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed to the Audit Committee
6. Not being or having been a person providing any professional services-including legal or financial advisory services-with an annual professional fees payment of more than Baht 2.0 million, to the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as to a Major Shareholder of or a person with a controlling power over the Company; as well as not being or having been a significant Shareholder,

a person with a controlling power over, or a Partner of the Professional Services firm in question. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed to the Audit Committee.

7. Not being or having been a Director appointed to represent a Director of the Company, a Major Shareholder, or a Shareholder associated with a Major Shareholder.
8. Not having a business similar to or the same as or that is a significant competitor of the Company or Subsidiary Company; or not being a significant Shareholder in a Business Partnership, or a Director actively involved in managing the business operations, Employee or Staff of, or an advisor who receives a monthly retainer to; or owning more than 0.5% of the total voting shares of a company/business that operates a business similar to or the same as or is a significant competitor of the Company or Subsidiary Company.
9. Not being a person who is in a position to not be able to exercise judgements in a fully independent manner with regards to the operations of the Company.
10. Not being a Director assigned by the Board of Directors to decide on matters relating to conduct of business and operations of the Company, Parent Company, Subsidiary Company, Subsidiary Company of the same status, Joint Venture Company, as well as of the Major Shareholder of or a person with a controlling power over the Company; unless such a decision is a collective decision.
11. Not being a Director of the Parent Company, Subsidiary Company or Subsidiary Company of the same status, whereby this is applicable only to listed companies.
12. A Member of the Audit Committee must be able to dedicate and devote time in an adequate manner to the activities of the Audit Committee; and should receive ongoing training so as to improve knowledge relating the activities of the Audit Committee, in order to be always up to date with the ongoing changes that may occur and to further improve the working effectiveness, efficiency and productivity of the Audit Committee.

Term of Office of Members of the Audit Committee

Members of the Audit Committee have a term of office of 3 years, that is also concurrent with being an Independent Director of the Company; whereby a Member of the Audit Committee will cease to hold the position due to the expiration of the current term of office, but can then be reelected for another term.

Additionally, apart from the expiration of the current term of office, a Member of the Audit Committee will cease to hold the position, in the event of:

1. Death
2. Resignation
3. No longer being a Director or Independent Director of the Company
4. The Board of Directors of the Company approves to terminate the term of office or to remove the person from being a Member of the Audit Committee
5. Not possessing all the required qualifications or possessing any prohibited qualifications, as specified by the SEC and SET as well as the Public Company Act

In the case that an Audit Committee position becomes vacant for any reason other than the expiration of the term of office, then the Board of Directors of the Company can appoint a person who possesses all the required qualifications to be a replacement Member of the Audit Committee for the remaining term of office of the Member being replaced.

In the event that a Member of the Audit Committee wishes to resign prior to completing the current term of office, the Company should be informed together with the reason for the resignation, so that the Board of Directors can then consider appointing another qualified Board of Director to replace the Member who is resigning.

Duties and Responsibilities of the Audit Committee as specified in the Charter for the Audit Committee

The Audit Committee has the following duties and responsibilities, as assigned by the Company's Board of Directors.

1. Review and ensure that the Company has and submits financial reports that are correct, accurate and adequate.
2. Review and ensure that the Company has in place both internal controls and internal audit systems that are appropriate and effective; as well as considers and monitors the independence of the Internal Audit Office together with considering the appointment, transfer, or termination of the Head of the Internal Audit Office.
3. Review and ensure that the Company fully complies with all laws on securities and securities exchange and the regulations of the SET, as well as other laws applicable to the Company's business.
4. Consider and select, as well as propose the appointment of qualified external Auditor/Auditors together with the associated audit fee; whereby the consideration process should take into account the level of independence, credibility, availability of people resources together with the experience of the assigned auditors to audit the Company's accounts. Further, a meeting should also take place with the authorized external Auditor of the Company at least once a year.
5. Consider and review all proposed related transactions or those tractions that may involve a conflict of interests, so that they comply with the applicable laws and regulatory requirements of the SET. As such, this is to ensure that such transactions are appropriate and for the maximum benefits of the Company.
6. Prepare the Report of the Audit Committee, through disclosing this in the Company's Annual Report; whereby the Report is to be signed by the Chairman of the Audit Committee and must consist of all the following information and details as required and specified by the SEC and SET
   (a) Opinion on the correctness, accuracy, and comprehensiveness, together with the credibility of the Company's financial reports
   (b) Opinion on the adequacy of the Company's internal audit system
   (c) Opinion on compliance to all the laws on securities and securities exchange

(d) The regulations of the SET, and all laws applicable to the Company's businesses

(e) Opinion on the appropriateness and suitability of the external Auditor

(f) Opinion on those transactions that may involve a conflict of interests

(g) Number of Audit Committee meetings held during the year, and the attendance record of each Member of the Audit Committee

(h) Overall opinion or comments that the Audit Committee has received in discharging its responsibilities in accordance with the Charter for the Audit Committee

(i) Any other matters that the Audit Committee thinks that Shareholders should be informed about and that is within the scope of duties and responsibilities as assigned by the Company's Board of Directors

7. Review compliance with the established anti-corruption policy as well as in accordance with the operating guidelines on fraud and corruption.

8. Review the effectiveness and efficiency of the established risk management measures, such as: strategic risks; operations risks; financial risks; risks relating to full compliance with the established and applicable rules and regulations; and risks relating to society, the environment, taxes and the economics; as well as risks relating to fraud and corruption.

9. Undertake any other activities as assigned by the Board of Directors and with the concurrence of the Audit Committee; as well as prepare and submit a report of the activities of the Audit Committee at least once every Quarter.

In undertaking its duties and responsibilities, the Audit Committee is directly responsible to the Company's Board of Directors; while the Board of Directors is responsible to external parties for the ongoing operations of the Company.

In the event that there are any changes to the composition or the duties and responsibilities of the Audit Committee, the Company is required to disclose and inform such changes relating to the names of the Members of and the scope of responsibilities of the Audit Committee in accordance with the format as well as procedures specified by the SET within three (3) working days from such changes becoming effective via the SET's electronic communications system.

Additionally, the Audit Committee meets on a regular basis every month with and reports to the Company's Board of Directors the results of all such reviews every Quarter, as well as meets with the external Auditor to review the Financial Statements.

2. Corporate Governance Committee

The Corporate Governance Committee was established by the Company's Board of Directors and is comprised of at least 3 persons, with a least half being Independent Directors and with Mr. Supot Shitgasornpongse, the Company Secretary, acting as the Secretary of the Committee.

During 2017, the Corporate Governance Committee held 4 meetings, with all Members of the Committee always attending these meetings, as shown below.

Name	Position	Meetings Attendance-2017 (Number of Times)
1. Adjunct Professor Prasobsook Boondech	Chairman, Corporate Governance Committee	4
2. Police General Phatcharavat Wongsuwan	Member, Corporate Governance Committee	4
3. Mr. Padoong Techasarintr	Member, Corporate Governance Committee	4
4. Mr. Umroong Sanphasitvong	Member, Corporate Givernance Committee	4

Additionally, the Company also appointed an external expert to advise the Corporate Governance Committee so as to provide observations, opinions and recommendations in further developing and improving corporate governance procedures and processes, in order to upgrade existing CG practices to be of international standards, namely Corporate Governance Policy; conflicts of interests issues, Policy on Protecting Privacy Data, Business Ethics and Code of Business conducts, policy on risk management, IT governance, Policy on Shares Dealing, required information disclosures as specified by the SEC and SET; and reports to the Corporate Governance Committee.

Term of Office of Members of the Corporate Governance Committee

Members of the Corporate Governance Committee have a term of office that is concurrent with being a Director of the Company; whereby a Member of the Corporate Governance Committee will cease to hold that position due to the expiration of the current term of office, but can then be reelected for another term as appropriate.

Additionally, apart from the expiration of the current term of office, a Member of the Corporate Governance Committee will cease to hold the position, in the event of:

1. Death
2. Resignation
3. No longer being a Director or Independent Director of the Company
4. The Board of Directors of the Company approves to terminate the term of office or to remove from being a Member of the Corporate Governance Committee

In the event that a member of the Corporate Governance Committee wishes to resign prior to completing the current term of office, the Company should be informed together with the reason for the resignation, so that the Board of Directors can then consider appointing another qualified Board of Director to replace the Member who is resigning.

In the event that a Corporate Governance Committee position becomes vacant for any reason other than the expiration of the term of office, the Board of Director can appoint a person who possesses all the required qualifications to be a replacement Member of the Corporate Governance Committee within 3 months from the day the position is vacant. The appointed person shall retain office for the remaining term of office of the Member being replaced.

Duties and Responsibilities of the Corporate Governance Committee as specified in the Charter for the Corporate Governance Committee

1. Determine and establish the Policy on Good Corporate Governance, on Business Ethics and Code of Conducts, and Policy on Anti-Corruption, that correspond to the laws, the regulatory requirements of the Government agencies and Authorities and other involved regulatory Authorities such as: the SET, the SEC; and that are to be submitted for approval by the Company's Board of Directors.
2. Propose operating guidelines for corporate governance practices and other activities relating to anti-corruption activities to the Board of Directors, as well as provide advice and recommendations to the Board of Directors relating to the operating guidelines on corporate governance practices and anti-corruption activities.
3. Oversee and ensure that the Company's Board of Directors and the Executives act in full compliance with the established Policy on Corporate Governance, and Policy on Anti-Corruption; as well as review and assess, together with relevant Directors and members of the Management group, the results of acting in compliance with the Policy on Corporate Governance together with giving recommendations on fully complying with the policy aforesaid.
4. Review the Policy on Corporate Governance, on Business Ethics and Code of Conducts, and on Policy on Anti-Corruption, together with the associated operating guidelines on a continuing basis at least once a year, so that they are all current with the latest situation, through referring to relevant operating guidelines that are of international standards together with other relevant laws and regulations of Government Agencies and regulatory authorities of listed companies, such as: the SET and SEC; together with submitting recommendations to the Board of Directors for approval in implementing such further improvements.
5. Report the results of the various activities undertaken and in making the assessment of the compliance with the Policy on Corporate Governance and Policy on Anti-Corruption, together with summarizing the key issues relating to corporate governance practices and anti-corruption activities to the Board of Directors at least two (2) times a year.
6. Oversee, ensure and monitor the progress of the activities of the various sub-Committees established by the Corporate Governance Committee, together with giving recommendations for further improvements as necessary.
7. Coordinate the activities with the various sub-committees in regards to cooperating in implementing corporate governance practices and anti-corruption activities, together with giving recommendations for improvements as necessary.

8. Encourage and support the Company to communicate with Board of Directors, executives and Staff at every level of the organization together with other involved parties in an adequate and continuous manner, so that they will all be fully aware of and fully understand the policy and associated operating guidelines on corporate governance and business ethics and code of business conducts, as well as Policy on Anti-Corruption and associated operating guidelines. Act in compliance with the Policy on Anti-Corruption together with associated operating guidelines on preventing fraud and on anti-corruption.
9. Compliance with anti-corruption policy and related guidelines.
10. Undertake any other activities as seen appropriate and assigned by the Board of Directors.

3. Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established by the Board of Directors of the Company and is comprised of at least 3 persons, with at least half must be Independent Directors, as well as with the highest ranking Executive of the Company's Human Resources Department acting as the Secretary of the Remuneration and Nomination Committee.

During 2017, the Remuneration and Nomination Committee held a total of 3 meetings, which were attended by all the Committee Members during their respective term of office, as shown below:

Name	Period of being in office	Meetings Attendance-2017 (Number of Times)
1. Mr. Dhanin Chearavanont	January 1-August 28	1
2. Police General Phatcharavat Wongsuwan	January 1-December 31	3
3. Mr. Padoong Techasarintr	January 1-December 31	3
4. Mr. Umroong Sanphasitvong	January 1-November 13	2
5. Mr. Soopakij Chearavanont	November 13-December 31	1

Remarks

1. Mr. Dhanin Chearavanont	*Had a term of office as a member and Chairman of the Remuneration and Nomination Committee up to February 23, 2017 and resigned from this position effective as of 29 August 2017.*
2. Police General Phatcharavat Wongsuwan	*Appointed as the Chairman if the Remuneration and Nomination Committee effective February 23, 2017*
3 . Mr. Umroong Sanphasitvong	*Resigned from the Committee effective November 14, 2017*
4. Mr. Soopakij Chearavanont	*Appointed as a Member to replace the Member who resigned on November 13, 2017*

Currently, the Remuneration and Nomination Committee is comprised of 2 Independent Directors, namely Police General Phatcharavat Wongsuwan, Chairman of the Remuneration and Nomination Committee, and Mr. Padoong Techasarintr, Member of the Remuneration and Nomination Committee, together with a Director, Mr. Soopakij Chearavaniont, and with Mr. Suraphan Pussadej, Senior Assistant Chief Executive Officer-Human Resource acting as a Secretary to the Committee.

Qualifications of the Members of the Remuneration and Nomination Committee

1. Being a Director of the Company.
2. Possess a good knowledge and understanding about corporate governance.
3. Possess a broad vision, follows the ongoing changing factors relating to determining remuneration and nominations at the international level on a continuous basis, in order to make improvements to the Company's policy on remuneration and nominations.
4. Able to undertake the duties and responsibilities as well as to express opinions, together with reporting the results of the various activities undertaken as assigned in a fully independent manner. Also, able to devote adequate time to discharge the required responsibilities.
5. Can independently recruit and select suitably qualified persons to be nominated for consideration to be appointed as a Board of Director of the Company to replace those Directors retiring upon the expiration of their respective terns of offices or for any other reasons; as well as prepare the required background information on proposed nominees adequate for consideration by the Board of Directors.

Term of Office for Members of the Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee have a term of office concurrent with being an Director of the Company; whereby Members of the Remuneration and Nomination Committee will cease to hold the position due to the expiration of the current term of office, but can then be reelected for another term as appropriate

Additionally, apart from retire by rotation, a Member of the Remuneration and Nomination Committee will come to the end of his term open:

1. Resignation
2. Not possessing all the required qualifications in being a Member of the Remuneration and Nomination Committee as specified in the Charter for the Remuneration and Nomination Committee
3. Termination by the Board of Director's resolution.

If a Member of the Remuneration and Nomination Committee wishes to resign, a letter of resignation should be submitted to the Chairman of the Board, whereby the resignation will become effective immediately on the date the letter is submitted to the Chairman.

In case all of the Remuneration and Nomination Committee members will retire, they shall remain acting in the position until a new set of Remuneration and Nomination Committee members will reserve the position.

In the event that a Remuneration and Nomination Committee position becomes vacant for any reason other than retire by rotation, then the Board of Director should appoint a person who possesses all the required qualifications to be a replacement Member of the Committee within 3 months from the date that there is a vacancy in the Remuneration and Nomination Committee, so that the Committee has the full required number of Members to undertake the work. The replacement Member shall retain office for the remaining term of office of the Member being replaced.

Duties and Responsibilities of the Remuneration and Nomination Committee as specified by the Charter for the Committee

1. Consider and determine criteria for the remuneration and types of remuneration for Board of Directors and senior Executives for proposing to the Board of Directors; whereby the Board will consider and approve the remuneration and types of remuneration for high-level Executives; while the Shareholders Meeting will approve the remuneration and types of remuneration for Directors.
2. Consider and determine the criteria and procedures for selecting and nominating persons, who possess the appropriate and required qualifications, to be appointed as a Director; as well as select the final nominees in accordance with the established procedures to be proposed to the Board of Directors for consideration and approval.
3. Review and assess that the remuneration paid to high-level Executives correspond to the actual achieved performance results.
4. Undertake any other activities as considered appropriate and assigned by the Board of Directors.

Self-Assessment of the Committees

In 2017, the Company arranged that a self-assessment of Committee including the Audit Committee, the Corporate Governance Committee; and the Remuneration and Nomination Committee. This is so that these Committees can review and assess their activities and performance results together with the various obstacles faced during the past year, in order to help the Committees to perform their work effectively.

The self-assessment of Committee as a whole covers

- Structure and qualifications for the Committee are appropriate for the required activities and enable the Committee to work effectively ie. the total number of Members of the Committee are appropriate; the required knowledge and experience are appropriate for undertaking the assigned responsibilities; the number of Independent Directors on the Committee is appropriate; the procedures for selecting and nominating Members of the Committees with the required appropriate qualifications are transparent and equitable, as well as are not subject to undue influence from any one person in particular.
- The meetings of the Committee, that take place to enable the Committee to discharge its assigned responsibilities, are held in an effective manner ie. information of the Committee Meetings dates during the year and associated details are given in advance; the frequency of the meetings of the Committee is appropriate; the time allowed for discussions of each Agenda Item is adequate and appropriate; relevant information for the proposed discussions are received in advance so as to have sufficient time to study them; the atmosphere during the meetings is conducive to freely express constructive ideas; those Members of the Committee with a vested interest in a matter being discussed do not participate in the discussions and decision of the matter in question.

- Great importance is given to the role and responsibilities of the Committee; a good amount of time is given to review and discuss them; and they are adequately adhered to by the Committee in an adequate manner

Audit Committee

- Reviews the financial reports, so that the Company will have Financial Statements that are accurate and credible. Reviews and assesses that the Company conducts its businesses in accordance with the applicable laws and fully comply with all the specified regulations. Review and assesses that an adequate and positive internal controls system is in place. Considers and assesses that the proposed related transactions and transactions that may involve conflicts of interest are undertaken in accordance with the specified regulatory requirements. Gives an opinion on the appointment or removal of the Head of the Internal Audit Unit. Considers, selects and proposes the appointment or termination of the external Auditor together with the associated audit fee. Arranges that the Management has in place appropriate operating procedures and systems to receive and deal with information or complaints.

Corporate Governance Committee

- Proposes to the Board of Directors operating guidelines and procedures on good corporate governance practices, together with giving further relevant recommendations to the Board. Oversees and ensures that the Board of Directors of Company and the Management comply with the principles and practices of good corporate governance. Regularly reviews and assesses the abovementioned CG operating guidelines. and also compares them with those implemented overseas so as to further develop them to be of international standards. Determine the policy and associated operating guidelines on taking care of society as a whole, local communities and the environment; together with monitors that actual activities undertaken are appropriate. Establishes the operating framework and associated guidelines on anti-corruption.

Remuneration and Nomination Committee

- Determines that the qualifications being sought and required by Board of Directors correspond to the relevant laws and nature of the Company's business. Undertakes activities and summarizes the final list of nominee candidates for proposing to the Board of Directors for their consideration in an appropriate manner. Arranges to have a succession plan in place. Determines a training program and development of the skills of Board of Directors on a continuing basis. Considers and assesses the guidelines for determining both the cash and non-cash types of remuneration of Board of Directors and senior executives. Determines the process and criteria for determining the remuneration that are equitable; such as: comparing the corresponding remuneration given by other businesses within the same industry sector.

The self-evaluation form of the various Committees provides space for Members to indicating their respective scoring, which consist of 5 possible scores; namely:

0 = Do not agree with strongly; or never conduct

1 = Do not agree at all; or seldom conduct

2 = Fair or moderately conducted

3 = Agree or well conducted

4 = Strongly agree or excellently conduct

Additionally, space is provided for the Committees Members to add further comments

Summary of the results of the self-assessment by Individual Committee:

Audit Committee

A high degree of agreement; or the Committee's activities address that respective aspect/matter to an excellent degree, with the total average score = 100%

Corporate Governance Committee

A high degree of agreement; or the Committee's activities address that respective aspect/matter to an excellent degree, with the total average score = 95% And a high degree of agreement; or the Committee's activities address that respective aspect/matter well, with the total average score = 5 percent

Remuneration and Nomination Committee

A high degree of agreement or the Committee's activities addresses that respective aspect/matter to an excellent degree, with the total average score = 93%

And a high degree of agreement; or the Board Committee's activities address that respective aspect/matter well, with the total average score = 7 percent

4. Nominating and Appointing Board of Directors and High-Level Executives

- Independent Directors

The Company has a total of 5 Independent Directors, or equal to 1/3 of the total number of Board members, namely Prof. Dr. Komain Bhatarabhirom, Mr. Pridi Boonyoung, Mr. Padoong Techasarintr, Police General Phatcharavat Wongsuwan, and Adjunct Prof. Prasobsook Boondech.

- Qualifications of Independent Directors

Apart from the generally required qualifications in accordance with the Public Company Act and the Securities and Securities Exchange Act as well as other applicable laws, Independent Directors of the Company also have specifically required qualifications in accordance with the announcement of the Capital Markets Supervisory Board as well as the Charter for the Board of Directors of the Company.

Additionally, the Company has also specified that the percentage of the shares of the Company able to be owned by Independent Directors (as per Item 1 and Item 8) to be more stringent than the minimum percentage as announced by law. As such, the Independent Directors of the Company must possess the following specific and required qualifications.

1. Owning not more than 0.5% of the total number of shares with the right to vote and issued by the Company, Parent Company, Subsidiary Company, and Joint Venture Company; or of the Major Shareholder, or of a person with a controlling power over the Company. As such, this total shareholding also includes those shares owned by persons related to the respective Independent Director.
2. Not being or having been a Director involved in the management of the operations of, an Employee of; or an advisor with a monthly retainer to; or a person with a controlling power over the Company, Parent Company, Subsidiary Company, Joint Venture Company, and Subsidiary Company of the same status, Joint Venture Company, the Major Shareholder of, or a person with a controlling power over the Company; unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed. As such, this prohibited qualification is not applicable in the event that the Independent Director used to be a Civil Servant or an advisor to the Government Agency/organization that is a Major Shareholder of or a party with a controlling power over the Company.
3. Not being a person who has a relationship, by blood or by legal registration, as a parent, spouse, sibling or children, as well as spouse of the children, of an Executive of, a Major Shareholder of, a person with a controlling power over; as well as a person proposed to be appointed as an Executive or as a person with a controlling power over, the Company or Subsidiary Company.
4. Not being or having been a person with a business relationship with the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as with a Major Shareholder of or a person with a controlling power over the Company, so as to may be an obstacle to exercising judgments in a fully independent manner. This also includes not being or having been a significant Shareholder of a party or having a controlling power over a party with a business relationship with the Company, Subsidiary Company, Joint Venture Company, as well as with a Major Shareholder of or a person with a controlling interest of the Company. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed.
5. Not being or having been an auditor of the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as of a Major Shareholder of, or a person with a controlling power over the Company; as well as not being or having been a significant Shareholder of, a person with a controlling power over, or a Partner of the Audit firm of the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as of a Major Shareholder of or a person with a controlling power over the assigned Company. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed.
6. Not being or having been a person providing any professional services-including legal or financial advisory services-with an annual professional fees payment of more than Baht 2.0 million-to the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as to a Major

Shareholder of or a person with a controlling power over the Company; as well as not being or having been a significant Shareholder, a person with a controlling power over, or a Partner of the Professional Services firm in question. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to being appointed.

7. Not being or having been a Director appointed to represent a Director of the Company, a Major Shareholder, or a Shareholder associated with a Major Shareholder.
8. Not having a business similar to or the same as or that is a significant competitor of the Company or Subsidiary Company; or not being a significant Shareholder in a Business Partnership, or a Director actively involved in managing the business operations, Employee or Staff of, or an advisor who receives a monthly retainer to; or owning more than 0.5% of the total voting shares of a company/business that operates a business similar to or the same as or is a significant competitor of the Company or Subsidiary Company.
9. Not being a person who is in a position to not be able to exercise judgements in a fully independent manner with regards to the operations of the Company.

An Independent Director possessing the specific and required qualifications 1 to 9 above may be assigned by the Board of Directors to make decisions relating the operations of the Company, Parent Company, Subsidiary Company, Joint Venture Company, Subsidiary Company of the same status, of a Major Shareholder or a person with a controlling power over the Company; whereby the decision will be made as a collective decision.

In the event that a person appointed by the Company as an Independent Director is or has been a person with a business relationship with or providing professional services (with a total value as specified in Item 4 and 6), the Company may exempt the requirement in the event that it views that the appointment of the person in question will not have any effect on the person's ability to discharge the assigned responsibilities and to express opinions in a fully independent manner; whereby the Company has disclose this matter and following relevant information in the supporting documents relating to the respective Agenda Item for consideration as sent to Shareholders in advance together with the Letter of Invitation to the Shareholders Meeting.

1. Nature of the business relationship or professional services provided that disqualifies the person in question by having a qualification that is not in accordance with the established criteria.
2. Reason and necessity for retaining or appointing the person in question as an Independent Director of the Company.
3. Opinion of the Board of Directors in proposing the nominee to be appointed as an Independent Director

- Operating guidelines in selecting and nominating persons for appointment as a Director

The Company has stabled the Remuneration and Nomination Committee to be responsible for determining the criteria and procedures in selecting and nominating persons with the appropriate and required qualifications to be appointed a Director, together with selecting the nominee candidates in accordance with the established nominations procedures. This also includes considering those qualified persons proposed by Minority Shareholders in accordance with the criteria and process specified by the Company. This nominations process will take into consideration the person's knowledge, capabilities, and past professional experiences that will

meet the requirements of the vacant Board of Directorship position within the Company. The Committee will then propose to the Board of Directors for approval before nominating the selected nominees to the Shareholders Meeting that will give final approval to the proposed appointment of new Board of Directors based on the detailed background information provided for making this final decision.

- Nominating High-level Executives and Succession Plan for high-level Executives Positions of the Company

Succession planning of high-level Executive positions is considered to be a long-term development of people resources, and is a responsibility of incumbent high-level Executives. In the event that there is a vacancy at the high-level Management level or that a new high-level position has been established, the Company will initially develop internal people resources who are potentially qualified. As such the Company has instructed the head of recruitment in each Business Group/Unit to identify not more than 3 persons in their respective Business Group/Unit, so that these persons can be developed and become part of the respective succession plans. With regards to succession planning for Manager positions upwards in each respective Business Group/Unit, the high-level manager of the Group/Unit should propose names of potential successors to the Human Resources Policy Committee so as to confirm further development of these persons; whereby the selection of the potential successors of the various key positions should be based on these key considerations: past achieved performance together with the results of the assessment of the person's potential capability and preparedness for advancement using on the Performance & Potential Grid system, together with the person's degree of career interest

5. Corporate Governance of The Operations of Subsidiary Companies and Joint Venture Companies

The Company's Board of Directors has ensured that an operating framework and associated mechanisms be established for the corporate governance of the policies and operations of Subsidiary Companies, Joint Venture Companies and other businesses in which the Company has made joint investments, both of are to be significant in nature manner and at an appropriate level. This is to achieve positive oversight and to protect the overall interests of the Company's financial investments through:

1. Assigning persons as representatives of the Company to be Board of Directors, senior Management or a party with controlling power over the various abovementioned types of companies. This will be based on the percentage shareholding held by the Company and with the concurrence of the Executive Committee.
2. Determining the scope of authority, duties and responsibility of the Directors or senior Management member who have be assigned to be representatives of the Company in accordance with and as defined by the operating handbook of those respective Subsidiary Companies etc. with regards to the separation of power and authority.
3. Establishing various operating mechanisms to oversee the required disclosures of information relating to the financial status and operating performance results of these organization, the related transactions with connected parties, the acquisition or disposal of assets, or any other important transactions undertaken by these companies. This is so that these transactions are undertaken in a correct and comprehensive manner, based on the same principles of information disclosures of the Company that are to be made through a central unit involving the finance and accounting, and legal departments as well as the office of

the Company Secretary, so as to enable using the relevant information in preparing the financial statements of the Company in accordance with the established standards and required time frame. Additionally, the Regulations of the Subsidiary also specify the procedures in undertaking any inter-related transactions together with the acquisition and disposal of assets, and that these transactions must be undertaken in accordance with the applicable laws on securities.

4. Further, appropriate internal controls system have been established that are adequate and comprehensive with various transactions undertaken in accordance with the applicable laws and including with the Handbook in the Separation of Operating Power and Authority; whereby these internal controls system have been reviewed and tested by the Internal Audit Unit of the Company/Group.

6. Preventing Conflicts of Interests and Control of Internal Information

1. Preventing Conflicts of Interests

The Board of Directors has the duty and responsibilities to oversee and manage any situations of conflict of interests that may occur between the Company and Management, the Board of Directors, or Shareholders and the taking advantage of the Company by gaining benefits from making use of the assets, information and business opportunities of the Company in an improper manner, together with the undertaking any business transactions with those with a relationship with the Company in an improper manner. As such, the Company has established a clear policy on undertaking transactions that may cause a conflict of interests, whereby these must be undertaken for the overall maximum benefits of the Company and the Shareholders, through considering all such transactions in a careful manner by having to be reviewed and concurred by the Audit Committee and then being proposed for approval by the Board of Directors of the Company. Further, those Directors with a vested interest must not participate in the consideration and approval process. And after being approved, the Board resolution for the related transactions are to be reported to the SET for disseminating the relevant information to the Shareholders within the same day as the Board resolution to approve is made or at he latest by 09:00 hours of the following working day, so that Shareholders are informed in an accurate, fast and timely manner.

Additionally, the Board of Directors considers it to be an important duty and responsibility to prevent any activities that may cause situations of conflicts of interest from occurring; whereby Board of Directors, Executives/ Management, and Staff together with their families and close relatives or friends must not undertake any transactions that will result in a conflict of interests with the Company, whether directly or indirectly as well as whether it is undertaken by the person alone or jointly with family members or close relatives and friends. Thus, in order to avoid any inappropriateness that may result; whereby these actions have been undertaken.

- Establishing a system to protect and keep safe information; as well as established policies on together with operating procedures for maintaining the confidentiality of the information, maintaining the credibility of and the preparedness to use the information. The policies and associate operating procedures are for strict adherence by Directors, Executives and Staff as well as by those other involved persons or business units, in order to prevent the use of such information to gain benefits through trading in the shares of the Company in an improper manner.

- Requiring Directors and Executives of the Company and of the Subsidiary Companies to submit a report on interests, as well as to update these reports every time there is any change; whereby the report is kept by the Company Secretary. Additionally, copies of the report are also to be submitted to the Chairman of the Board and the Chairman of the Audit Committee. This interests report also include information on the vested interest of and relationships with their immediate family members and close associates that may cause conflicts of interests. However, in the event that a related business transaction must be undertaken, it must be done in a fully transparent and equitable manner as if undertaking a transaction with an external party, as well as must be to the maximum benefits of the Company. Furthermore, Directors and Executives with a vested interest must not attend the meeting and voting.
- Approving the agreements for business transactions that contain normal terms and conditions for use by Management in undertaking related transactions between the Company or Subsidiary Companies and Directors, Executives and other related parties, in the event that such related transactions are based on business transactions terms and conditions similar in nature to those agreements in general situations that reasonable persons might use with their co-parties for which the negotiations do not involve one party exerting under influence in the position as a involved Board of Director, Executive or a co-party to the business agreement. Additionally, the Company is required to prepare a summary report of all related transactions every Quarter for submitting to the Bird of Directors, which must be reviewed by the Audit Committee.

In 2017, the Company did not undertake any connected transaction. There were only transactions by between the Company and its Subsidiary Companies with related parties; whereby there were business agreements with terms and conditions that are in general use and that the Management group were able to undertake under the principle approved by the Board of Directors.

2. Control of Internal Information Use

The Company gives importance to the misuse of inside confidential information for personal gain. Thus, it has included in the Company's Policy on Corporate Governance as well as in the Handbook on Business Ethics and Code of Conducts that it is prohibited to make use of confidential information that is known to them and that may be for the purpose of gaining personal benefits prior to such confidential information is disclosed to the general public. As such, a policy has been established the Policy on Protecting the Misuse of Inside Confidential Information together with associated operating guidelines on the buying and selling of the shares of the Company for use by Directors, Executives and employees. This is aimed to be measures to prevent the misuse of inside confidential information (or insider trading) by any involved parties, such as Directors, Executives and employee working in the Business Units that deal with confidential information, and includes those share of the Company owned by their spouses as well as children and adopted children who are not yet of legal age, as follows:

- Whenever there is any trading (acquisition or disposal) of shares of the Company by Directors, Executives of the Company, they are required to file a report at least one (1) working day prior the actual trading of such shares are made, through using the Pre-59-Form - Advance Notice of trading of the shares of the Company, to the Company Secretary who will keep the Pre-59 Form on file and will make a summary report of all the reported planned trading to the Board of Directors on an annual basis. Thereafter, once the actual trading is completed, then a report on the changes in the total numbers of shares of the Company owned - through use if Form 59-2-is to be submitted to the SEC (via the Company Secretary) within 3

working days after the actual trade has been maid; whereby the SEC will disclose this information on the changes in the total number of shares of the Company owned on its website. This will enable investors to monitor such changes in the total number of shares of the Company owned by those persons, who are in the position or situation that might have access to inside confidential information of the Company as well as who might make use of such inside information for their own personal benefit prior to the confidential information is disclosed to the general public.

- Directors, Executives and employees, who are able to access to or have in their possession any confidential inside information, are told they are forbidden to trade (acquire/dispose of) shares of the Company for a specific duration immediately prior to the disclosure of such information to the general public; whereby the Company has compiled a list of names of Directors, Executives and employee or other people, who may have the opportunity to gain access to such confidential information and then seek to gain personal benefits from such information in an improper manner prior to the information is disclosed to the general public. As such, all these persons are prohibited from trading any shares of the Company during the period of having access to or possessing inside confidential information or other sensitive information that may affect the share price, as well as for a period of 30 days prior to the disclosure of financial information to the SET and general public and for 1 day after the disclosure. The Company Secretary will send an email 1 week in advance every time to remind and warn such persons of the prohibited period for trading the shares of the Company as stated above.
- It is prohibited to make improper use of inside confidential information that have not yet been disclosed to the general public or to the SET for the sake of gaining personal benefit or for the benefit of any other involved parties, which is considered to be a means of taking unfair advantage of other Shareholders
- Reports are required to be submitted every Quarter regarding the ownership of any shares of the Company by the Board of Directors, and by their spouses, as well as children and adopted children who are not yet of legal age.

In 2017, there was no incidents relating to any breach of inside information on the part of Board of Directors, Executive Directors, high-level Executives and employee of the Company.

7. Audit Fee

1. Audit Fee

In 2017, the Company paid audit fees to the external independent Auditor, Ms. Munchupa Singsuksawat, CPA No. 6112 of KPMG Phoomchai Audit Co. Ltd., totaling Baht 5,113,000. Additionally, KPMG Phoomchai Audit Co. Ltd is also the Auditor of a total of 22 Subsidiary Companies located in Thailand and 2 Subsidiary Companies located in overseas, Lotus Distribution Investment Limited, and Albuera International Limited.

As for the other overseas Subsidiary Companies, namely Successor Investments Limited, Successor (China) Investments Limited, and Nanjing Zheng Yi Xin Trading Co., Ltd., Indoguna Vina Food Service Co., Ltd., Makro (Cambodia) Co., Ltd. and CP Wholesale India Private Limited paid to KPMG overseas.

2. Non-Audit Services

In 2017, the Company and Subsidiary Companies did not receive any other non-audit services from KPMG Phoomchai Audit Co., Ltd.

8. Anti-Corruption Policy

The Company determined and established the Policy together with associated operating guidelines on fraud and corruption that are clear and comprehensive. These were then communicated to all levels of the organization as well as various external parties through all channels of communications, so that these will be implemented in a genuine manner. Further, training courses were also held together with a test of the understanding of the policy on fraud and corruption as well as for the various associated operating guidelines on the part of the Management and Staff, so that everyone can fully comply with the applicable laws, rules and regulations. Additionally, a campaign was also undertaken to promote and instill positive behavior of genuine compliance; such as: Producing advertising and promotional media, creation of an anti-fraud logo for the Company, holding an 'anti-corruption day, holding a competition for the production of the best VDO that promotes good governance and being against fraud and corruption. Further, a report is also to be prepared and submitted 2 times a year to the Corporate Governance Committee and the Board of Directors of the Company on the ongoing associated activities as well as compliance to the Policy on Anti-corruption and the associated operating guidelines.

On August 18, 2017, the Private Sector Collective Action Coalition Against Corruption (CAC) gave formal confirmation and recognition of the Company as a joint member of the CAC Project, which is valid for 3 years, effective from the date of confirmation and then is to be renewed

Apart from the various measures to prevent corruption that can reduce the chance for acts of fraudulence and corruption, the Company has also established other measures to check for instances of fraud and corruption together with immediately submitting information of any possible acts of corruption. Thus, the Company has established various channels of communications, so that Stakeholders and any other involved parties including members of the Management and Staff can have the opportunity to submit any complaints and confidential information about any acts of alleged fraud or corruption and also in the event of not having received equitable treatment. As such, detailed operating guidelines on the 'whistle-blowing' program have been disclosed and posted on the Company's website under the heading "Anti-corruption Policy"; and the Company gives great importance to treating such whistle-blowing information as being very confidential, which will be known only by those persons specifically assigned togther with persons directly involved with the matter. The information or complaints can be submitted to the Company through these channels of communications :

1. By email sent directly to any of the following parties assigned to serve any 'whistle-blowing' information or complaints
   - Audit Committee E-mail AuditCommittee@cpall.co.th
   - Corporate Governance Committee E-mail CGcommittee@cpall.co.th
   - Board of Directors E-mail BOD@cpall.co.th
2. By letter sent through the post office addressed to
   The Internal Audit Office of CP All Public Company Limited
   119, Floor 16, Tara Sathon, Soi Sathon 5, South Sathon Rd.
   Thung Mahamaek, Sathon, Bangkok 10120

3. Via the Company's Call Center
   Telephone 0-2826-7744 and 0-2071-2770
   Fax 0-2071-8623
4. The Company's website www.cpall.co.th Icon "Whistle-blowing"

After receiving the information or complaint, the Internal Audit Office will make an initial investigation; whereby if there is sufficient information and cause to set up an ad hoc Investigation Committee to look further into the true facts in detail, so as to then take further action and propose options to discipline those involved. The Investigation Committee then is required to summarize the incident to the CG Sub-Committee, which makes a report to the Corporate Governance Committee every Quarter.

The Company has a established procedures to protect the informant or complainant so as to ensure they are not subject to any harm or to any threats after the matter is completed, together with measures to pay compensation in the event that the informant or complainant has suffered any losses. As such, this will help make the Company employees feel confident and safe in submitting any information or complaints concerning any alleged acts of fraud or corruption or inequitable treatment. However, the Company will discipline or punish those who intentionally submit false information or fake complaints .

9. Compliance with the Principle of Good Corporate Governance with regards to other matters

In 2017, the Company undertook various activities to upgrade and improve the good governance system, so that they will of international standards and in order to increase confidence on the part of Shareholders and all stakeholders, as follows:

1. Established the Charter for the Board of Directors of the Company together with the associated operating guidelines on good corporate governance for the Board of Directors.
2. Revised and upgraded the Charter for the Audit Committee, by adding new duties and responsibilities in reviewing the effectiveness and efficiency of risk management measures as well as procedures; such as: risks relating to taxes, risks relating to fraud
3. Revised and updated the Handbook on Business Ethics and Code of Conducts, together with the operating guidelines on good corporate governance for Executive and employees.
4. Established a new Corporate Governance Sub-Committees, together with revising and upgraded the Charter for the Corporate Governance Sub-Committee.
5. Established operating guidelines for Board of Directors, executives and Staff for trading shares of the Company.
6. Determined various policies on good corporate governance practices, protecting the environment, human rights and activities relating to the workforce management, Diversity and Inclusion, sustainable sourcing, Policy and Supplier Guiding Principle.

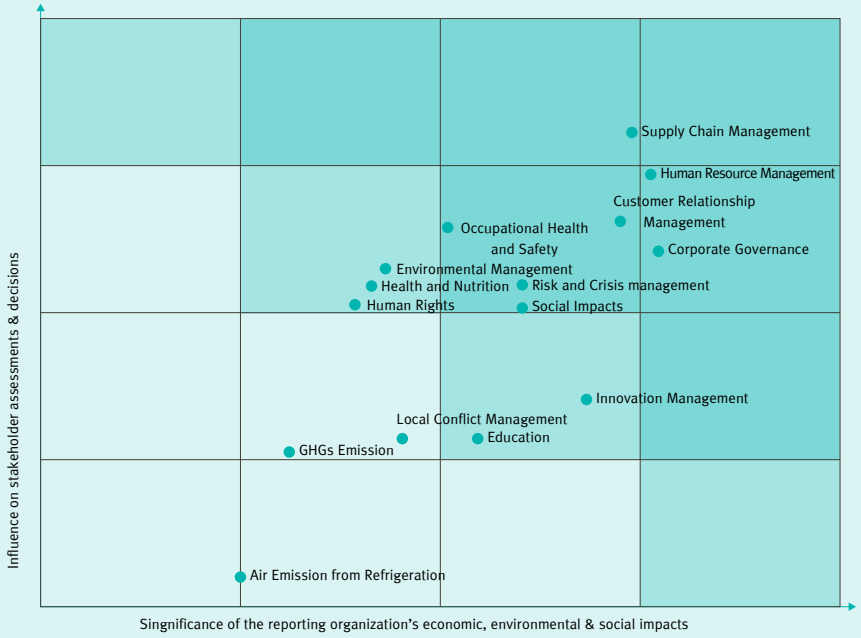
Corporate Social Responsibility for Sustainable Development

In 2017, CP ALL Public Company Limited and its subsidiaries continue to operate our business with social responsibility. Sustainability matters have been integrated into the strategic plan as one of the key factors, with an aim to create benefits for all. The strategic plan 2018-2022 for sustainable development was the outcome of the Sustainable Development Committee's effort, driving towards the goal of integrating sustainability matters into normal business operations and putting into practice.

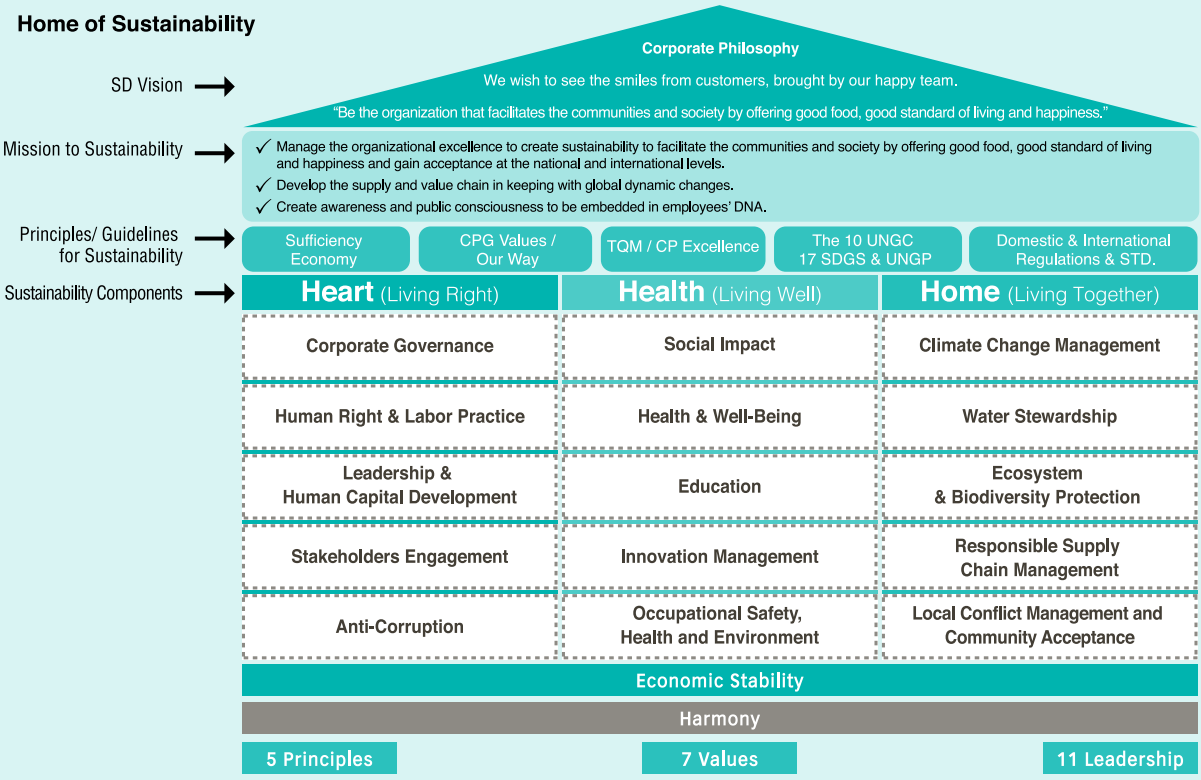
Corporate Sustainability Framework

Ones of the important sustainable processes are listening and engaging with stakeholders. These ensure the Company gains adequate information and truly understands each stakeholder group's needs and expectation, enabling to satisfy those needs. Additionally, the Company aims to create awareness of stakeholder engagement among employees and ensure the provision of auditing processes for every possible compliant, driving the Company towards the goal of expanding the boundary of stakeholder engagement among all subsidiaries. The Company's stakeholders, increasing from 8 groups, are categorized into 10 groups, namely 1) Employees, 2) Store Business Partner, 3) Customers, 4) Business Partners and Suppliers, 5) Shareholders, 6) Society, Communities and the Environment, 7) Government Sector, 8) Private Development Organization and Opinion Leaders, 9) Press, and 10) Creditors. Information and opinions gathered from every stakeholder group have been taken into consideration and assessed in the annual corporate social responsibility assessment for sustainability. The assessment takes into account impacts on the business in three dimensions, including economy, society and environment, by considering risks and opportunities as well as the level of influence on stakeholders' decision.

In 2017, the Company disclosed the revision and assessment results on significant matters as follows:



To allow efficient and tangible management of the sustainable materiality, the Company in 2017, under the lead of the Sustainable Development Committee and the Sustainability Strategy Department, Sustainable Development, has set the sustainable development goals for CP ALL Public Company Limited and its subsidiaries to jointly operate and achieve such goals by 2020 in 15 areas.



Sustainable Development Framework or Home of Sustainability

1. Corporate Governance
2. Human Rights and Labor Practice
3. Leadership and Human Capital Development
4. Stakeholders Engagement
5. Anti-Corruption
6. Social Impact
7. Health and Well-Being
8. Education
9. Innovation Management
10. Occupational Safety, Health and Environment
11. Climate Change Management
12. Water Stewardship
13. Ecosystem and Biodiversity Protection
14. Responsible Supply Chain Management
15. Local Conflict Management and Community Acceptance

To achieve the 15 sustainable goals, the Company has adopted key principles as its business operation guidelines, including the Sufficiency Economy, the Total Quality Management (TQM), 10 principles of the United Nations Global Compact (UNGC), the United Nations Sustainable Development Goals (SDGs) and the UN Guiding Principles on Business and Human Rights (UNGP), for instance. Besides, CP ALL respectfully and strictly complies with the Company's rules and regulations as well as related domestic and internal laws when operating its business.

Sustainable Operation Overview 2017

Economic

In 2017, the Company founded the Science Technology and Innovation Development Office (STIDO). Its main responsibility is to be a mechanism that drives the business units' innovation and technology, increases capabilities, conducts research in connection with innovation and technology, develops, invents and transfers technology, and monitors advances in research, innovation and modern technology from its national and international connections, aiming to become an organization offering innovation and advanced technology. This will contribute to economic, social and environmental value as well as enable the Company to be a key driver for sustainable development in Thailand.

Performance

Value generated from innovation projects (Million Baht)	2015	2016	2017***
Close Innovation*	1,299.8	1,466	866.46
Open Innovation**	2,866	3,166	3,776

** Close Innovation accumulates and evaluates added value generated from the Shoaling Innovation Awards, the President Award and the Process Excellence Award.*
*** Open Innovation accumulates and evaluates trading value generated in the country's economy from the 7 Innovation Awards.*
**** In 2017, most of the innovations focused on improving efficiency rather than increasing revenue.*

Environmental

Due to the world changing dynamics that evolve over time, the Company has selected the technology and innovation suitable for energy management and environmental conservation to design a new model of convenient stores. The model is designed to be environment-friendly and energy savvy by applying modern technology, innovation and diverse modes of management for energy efficiency. For instance, optimal store layout and landscape planning helps reduce unnecessary consumption and loss of energy. All screens and light bulbs used in the stores are LED for energy saving. In-store tracking system of customer buying behavior analysis has been installed for suitable and efficient energy utilization plan and improvement. Real-time energy usage tracking system helps the stores monitor and analyze the daily energy usage report.

Energy saving measures suitable for and aligned with each type of 7-eleven stores would be expand to other branches across the country, for both renovated and newly opened stores.

Social

The Company is committed to strengthen the communities, enterprises and small-scale producers through corporate social responsibility initiatives and the Company's business knowledge and expertise utilized for raising their enterprising capabilities. Examples are as follows:

The Learning and Career Development for Sustainable Agriculture Project

The objective of the project is to offer agricultural education, create job opportunities for farmers, promote safer and more suitable agricultural management and provide farmers with more distribution channels. During the past year, the Company engaged in building community market, providing agricultural support to farmers and buying agricultural products directly from farmers. The Company explored the community area to reduce and prevent risks by promoting cultivation in accordance with the Good Agricultural Practice (GAP). It also monitored and consistently provided farmers with suggestions to prevent and lessen contamination risks, which possibly occur during cultivation, harvesting and post-harvest management, to gain safe and quality products suitable for consumption and matching with the market's demand.

With CP ALL's sustainable initiatives seriously taken into action, the Company was invited to conduct the 2017 Corporate Sustainability Assessment (CSA) and accepted the invitation for the first year. The Company has been selectively classified as one the Dow Jones Sustainability Indices (DJSI)'s members among leading companies in the Emerging markets, Food & Staples Retailing sector. CP ALL is the only Thai and Southeast Asian company that has been selected in the mentioned sector, marking the Company's first step of success at the international level in sustainability.

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

To ensure transparency for the implementation of its sustainable initiatives, the Company has disclosed information via diverse channels of public media, including the corporate website[1], the UN Global Compact Communication on Progress (COP)[2] and the sustainability report under the Global Reporting Initiative (GRI) Framework.

[1] *https://www.cpall.co.th/Sustain*
[2] *https://www.unglobalcompact.org/what-is-gc/participants/76261-CP-ALL-Public-Company-Limited*

Internal Control and Risk Management

The Company is fully aware that internal control is one of the most important processes and that good internal control will ensure that the Company's operation system is correct, transparent and verifiable and can reduce or prevent possible damages. The Company has continuously developed its internal control system to be effective and efficient so that shareholders are confident in the Company's internal control system. The Board of Directors has appointed the Audit Committee, consisting of 3 independent directors with all qualifications according to the requirements of the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand, to review the Company's financial reports to ensure accuracy and reliability. In addition, the Audit Committee reviews the connected transactions or the transactions that may lead to conflicts of interest to ensure that they are reasonable and for the highest benefit of the Company; reviews the adequacy of the Company's risk management, internal control and internal audit systems; and reviews the Company's compliance with the law on securities and exchange and the laws relating to the Company's business.

The Audit Committee has assigned the Company's Internal Audit Office, which is independent from management, to be responsible for auditing and reviewing the performance of various departments in the Company and its subsidiaries to ensure that they have complied with the Company's internal control system. The Audit Committee evaluates the adequacy and appropriateness of the Company's overall internal control system which includes:

1. Control Environment

The Company promotes and supports a good internal control environment. The Company has established written policies related to corporate governance and business ethics which have been communicated to employees at all levels for their information and strict compliance. There is also a penal code for violations. The organizational structure has been set to correspond with the business plan and is regularly adjusted to be appropriate with operations. The lines of command are divided according to different fields corresponding to operation strategies and corporate governance. This ensures that management and employee performance is effective and can be clearly monitored, inspected and evaluated. The Internal Audit Office, which is independent and reports directly to the Audit Committee, is responsible for examining and verifying performance, supporting a good internal control environment. In addition, the Company recognises the importance of continuous human resource development and provides trainings in order to enhance knowledge and skills required for the assigned task. Furthermore, the succession plan is established in order to ensure business continuity.

2. Risk Assessment

The Company has set up a good risk management system throughout the organisation. The Risk Management Committee is responsible for establishing the policy framework as well as systematic risk management, which are communicated to employee. Risk Champion is assigned in each unit in order to give advice and support risk assessment within their own unit. Every unit assesses risk factors in various areas, impacts, possibility of occurrence, and risk management plan in line with changes in internal and external risks including corruption risk. Consequently, each unit also determines clear measures to manage risks at acceptable levels; as well as manages existing risks promptly and effectively. The Company has established a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to prepare for risks and crises which may occur to ensure that the Company's major operations will have continuity and not be halted. The work performed by the Risk Management Committee is reported to the Audit Committee and the Board of Directors every 6 months. The Internal Audit Office also monitors whether various units have followed the risk management measures in order to ensure that the Company's risks are at acceptable and manageable levels.

3. Control Activities

The Company has clear and appropriate control activities. KPIs assist in planning and control. The Business Ethics and Code of Conduct and the Company's corporate governance policy provide guidelines for performance of duties. All employees are made aware of the Code of Conduct since the orientation for new employees. The Company has clearly defined the duties and responsibilities of various work functions. Correctness can be cross-checked to reduce risks in corruption or inappropriate actions. The authority and approval limit of various types of transactions of executives are clearly written in the "Authority Handbook". Furthermore, the IT system classifies the roles as well as control and access to information at various levels. The IT system has set access codes and an information database which can be later retrieved for verification. The policy regarding information security and information system has been announced and disseminated among employees at all levels to be aware of and strictly comply with information security. Procedures regarding connected transactions and the transactions that may lead to conflicts of interest are clearly stated to ensure transparency and the greatest benefits of the Company. The Internal Audit Office regularly reviews the adequacy and appropriateness of the control system, with the audit plan also covering important work processes.

4. Information and Communication

The Company recognizes the significance of information systems and communication. There are both internal and external communication channels to ensure that the decision-making of the Company's shareholders, stakeholders, directors, and executives are based on information that is correct, adequate, reliable and up-to-date. Important and general information is disclosed in the annual report and Form 56-1 through the Company's website www.cpall.co.th and the Stock Exchange of Thailand. The Company's policies, regulations, announcements and important news are clearly communicated to all employees via various channels. In addition, safe compliant communication channel is available, which the complaint's investigation guidelines are clearly established and will take action in a timely manner. Complaints can be filed through company's website or direct to Audit Committee at Audit Committee@cpall.co.th or other channels as stated in the Annual Report under Anti-Corruption Policy in the Corporate Governance Section. With regards to the Board of Directors Meeting, the Company will send the invitation to the meeting, agenda, and related meeting documents in advance within the regulated time period so that directors have sufficient time to consider the information before attending the meeting. The minutes of the Board of Directors Meeting is prepared for every meeting, recording the inquiries of directors and the opinions or observations of directors for each agenda item. Moreover, the Company has an information database that can be used for the Company's business operations. All documents are stored by category, especially financial documents which are essential in preparing financial reports. In addition, the Company has a clear policy regarding information control in terms of access and improper use of information, which is in line with the Computer Related Crime Act.

5. Monitoring

The Company regularly monitors performance to evaluate whether the set KPIs have been achieved as planned as well as analyzes the reasons in case the results were not as planned. The Internal Audit Office, which is an independent unit, reviews and audits operations to be in line with the control system, with emphasis on operational processes with high risk. The Internal Audit Office directly reports matters found to the Audit Committee and regularly monitors the improvements and remedial actions made by the unit that was audited. The Audit Committee reports the audit results to the Board of Directors every quarter. In addition, the Audit Committee meets with the Company's external auditor to evaluate the adequacy and effectiveness of the Company's internal control system.

In 2017, the Audit Committee had the same opinion with the external auditor that there was no material weakness in the internal control system. The Company has a sufficient and appropriate internal control system for its business and all units complied with the procedures and regulations. No material weakness was found in the internal control system.

Head of Internal Audit Biography

Name	Mr. Krisada Euapiyachart
Position	Vice President - Internal Audit

Education

- Master Degree in Business Administration, Southeastern University, USA
- Graduate Diploma in Auditing, Chulalongkorn University
- Bachelor Degree in Law, Thammasat University
- Bachelor Degree in Accounting, The University of the Thai Chamber of Commerce

Experience

1988 – 2000	Deputy Manager, Internal Audit, Charoen Pokphand Group Co., Ltd.

Training by the Thai Institute of Directors Association (IOD)

2009	Company Secretary Program
2010	Audit Committee Program
2014	Anti-Corruption : The Practical Guide

Duties and Responsibilities of the Head of Internal Audit

1. Determine the structure and scope of responsibilities of the Internal Audit Office and manage general operations of the Internal Audit Office
2. Prepare the handbook and operating standards for internal auditors and monitor that the internal auditors have performed their duties according to the established standards
3. Formulate the annual audit plan which is considered and approved by the Audit Committee
4. Determine the annual budget and Key Performance Indicators for auditing
5. Review the Audit Program of each audit unit including performance of duties and information to ensure worthwhile use of resources and efficient and effective audit results
6. Verify the appropriateness of information storage systems and the existence of the Company's assets
7. Evaluate the reliability and correctness of accounting and financial information
8. Monitor that the operations of various departments comply with the policies, objectives and regulations of the Company and related laws
9. Review the audit results and follow up on performance results following the recommendations
10. Report the audit results to the executive team, the Audit Committee, and the Board of Directors
11. Select and develop internal auditors at all levels to be knowledgeable and skilled and evaluate the performance of internal auditors
12. Provide advice and recommendations on internal control systems and risks to various departments
13. Perform other special tasks as assigned by the executive team and the Audit Committee
14. Liaise with the executive team, the Audit Committee, the Company's auditor and advisors

Related Transactions

In 2017, CPALL and its subsidiaries conducted transactions with connected parties, which the Audit Committee has reviewed and approved the rationale for connected transactions as details below.

Connected transactions for normal business transactions or supporting normal business transaction were engaged in the normal course of business and complied with Rules on Connected Transactions by virtue of Section 89/12 (1) of the Securities and Exchange Act (No.4) B.E. 2551. The Board of Directors has approved in the Board of Directors Meeting No.1/2010 held on 18 February 2010.

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
C.P.Tower Growth Leasehold Property Fund	Majority share held by the CP Group	Other expenses	136	
		Other accounts payable		1
Kasetphand Industry Co., Ltd.	Majority share held by the CP Group	Revenue from sales of goods	1	
K.S.P. Equipment Company Limited	Majority share held by the CP Group and have one common Director who is Mr. Prasert Jarupanich	Revenue from sales of goods	1	
Charoen Pokphan Group Company Limited	Mr. Dhanin Chearavanont and close relatives as the major shareholders and have two common Directors who are Mr. Dhanin Chearavanont and Mr. Soopakij Chearavanont	Revenue from sale of goods and rendering of services and other income	16	
		Other expenses	27	
		Trade accounts receivable		3
Charoen Pokphand Agriculture Company Limited	Majority share held by the CP Group and have Mr. Dhanin Chearavanont and close relatives as the major shareholders.	Other income	1	
		Cost of sales of goods	2	
Charoen Pokphand Produce Co., Ltd.	Majority share held by the CP Group	Other revenue	2	
		Accounts receivable		1
Charoen Pokphand Seeds Co., Ltd.	Majority share held by the CP Group	Cost of sales of goods	31	
		Trade and other accounts payable		2
Charoen Pokphand Engineering Co., Ltd.	Majority share held by the CP Group	Asset purchase and other expense	8	
		Other accounts payable		4
Charoen Pokphand Foods Public Company Limited	Majority share held by the CP Group and have two common Directors who are Mr. Dhanin Chearavanont and Mr. Adirek Sripratak. In addition, Mrs. Arunee Watcharananan, who is Mr. Adirek Sripratak's younger sister is a common Director.	Revenue from sale of goods and rendering of services and other income	47	
		Cost of sales of goods	374	
		Trade accounts receivable		8
		Trade accounts payable		38

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
Chester Food Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services	14	
		Trade accounts receivable		1
		Trade accounts payable		7
Chinese Kids Company Limited	Ms. Wandee Sanphasitvong, who is Mr. Umroong Sanphasitvong's (CPALL's Director) younger sister, is a Director	Other expenses	2	
C.P. Consumer Products Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Prasert Jarupanich	Revenue from rendering of services and other income	100	
		Cost of sales of goods	972	
		Trade and other accounts receivable		14
		Trade accounts payable		170
C.P. Food Store Company Limited	Mr. Dhanin Chearavanont and his son are major shareholders	Revenue from rendering of services, other income	114	
		Cost of sales of goods	1,039	
		Other accounts receivable		12
		Trade accounts payable		192
C.P. Merchandising Company Limited	Majority share held by the CP Group and have one common Director who is Mr. Adirek Sripratak. In addition, Mrs. Arunee Watcharananan, who is Mr. Adirek Sripratak's younger sister is a common Director.	Revenue from sale of goods and rendering of services	314	
		Cost of sales of goods and other expenses	69	
		Trade accounts receivable		19
		Trade and other accounts payable		11
C.P. Land Public Company Limited	Majority share held by the CP Group and have one common Director who is Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	46	
		Trade and other accounts receivable		13
C.P Intertrade Co., Ltd.	Mr. Dhanin Chearavanont and his son are major shareholders	Revenue from rendering of services and other income	2	
		Other expenses	4	
		Trade receivable		1
		Other accounts payable and other current liabilities		1

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
C.P. Packaging Industry Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	7	
		Cost of sales of goods	634	
		Trade accounts payable		174
C.P. Facility Management Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanon's wife and son are indirect shareholders	Other expenses	15	
		Other accounts payable		2
Cineplex Co., Ltd.	Majority share held by the CP Group and have two common Directors who are Mr. Soopakij Chearavanont and Mr. Narong Chearavanont	Other expenses	9	
CP B&F (Thailand) Company Limited	Majority share held by the CP Group	Revenue from rendering of services and other income	32	
		Cost of service	1	
		Other accounts receivable		11
		Trade and other accounts payable		83
CP Medical Center Company Limited	Mr. Dhanin Chearavanont and close relatives as the major shareholders	Revenue from rendering of services	1	
CPPC Public Company Limited	Majority share held by the CP Group and have two common Directors who are Mr. Umroong Sanphasitvong and Mr. Narong Chearavanont	Revenue from sale of goods and rendering of services and other income	1	
CP-Meiji Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services and other income	73	
		Cost of sales of goods and other expenses	3,139	
		Trade and other accounts receivable		10
		Trade and other accounts payable		538
CPF (Thailand) Public Company Limited	Majority share held by the CP Group and have one common Director who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services and other income	305	
		Cost of sales of goods	7,664	
		Trade and other accounts receivable		34
		Trade accounts payable		1,705

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
CPF Trading Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	311	
		Cost of sales of goods and other expenses	10,387	
		Trade and other accounts receivable		68
		Trade and other accounts payable		1,737
CPF Training Center Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services and other income	1	
		Trade and other accounts receivable		2
CPF IT Center Co., Ltd.	Majority share held by the CP Group	Revenue from rendering of services	9	
D Supreme Company Limited	Mr. Dhanin Chearavanont's son is a major shareholder	Cost of sales of goods and other expenses	298	
		Trade accounts payable		13
True Corporation Public Company Limited	Majority share held by the CP Group and have four common Directors who are Mr. Dhanin Chearavanont, Mr. Soopakij Chearavanont, Mr. Umroong Sanphasitvong and Mr. Narong Chearavanont	Revenue from sale of goods and rendering of services and other income	29	
		Trade and other accounts receivable and other current assets		4
True Gs Co., Ltd.	Majority share held by the CP Group	Cost of sales of goods	2	
		Trade accounts payable		1
True Digital & Media Platform Company Limited	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	16	
		Trade and other accounts receivable		4
True Touch Company Limited	Majority share held by the CP Group	Other income	2	
		Other expenses	1	
True Properties Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Umroong Sanphasitvong	Revenue from rendering of services	6	
		Trade receivable		4
True Money Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son as the major shareholder	Revenue from rendering of services and other income	732	
		Cost of sales of goods and rendering of services	13,731	
		Trade and other accounts receivable		135
		Trade accounts payable		2,596

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
True Media Solutions Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Soopakij Chearavanont	Cost of sales of goods and other expenses	7	
		Trade and other accounts payable		2
True Move Company Limited	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	15	
		Trade and other accounts receivable		17
True Move H Universal Communication Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	64	
		Cost of rendering of services and other expenses	11	
		Trade and other accounts receivable		71
		Trade and other accounts payable		6
True United Football Club Co., Ltd.	Majority share held by the CP Group	Other expenses	25	
True Leasing Co., Ltd.	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son and have one common Director who is Mr. Umroong Sanphasitvong	Other expenses	47	
		Other accounts payable		12
True Lifestyle Retail Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son and have one common Director who is Mr. Umroong Sanphasitvong	Revenue from sale of goods and rendering of services	20	
		Trade accounts receivable		3
True Visions Group Co., Ltd.	Majority share held by the CP Group and have two common Directors who are Mr. Soopakij Chearavanont and Mr. Narong Chearavanont	Revenue from rendering of services and other income	4	
		Trade and other accounts receivable		2
		Trade accounts payable		5
True International Gateway Co., Ltd.	Majority share held by the CP Group	Revenue from rendering of services	1	
True Internet Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Soopakij Chearavanont	Revenue from rendering of services	4	
		Cost of sales of goods and rendering of services and other expenses	3	

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
True Internet Corporation Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	45	
		Cost of sales of goods and rendering of services and other expenses	202	
		Trade and other accounts receivable		38
		Trade and other accounts payable		63
True Internet Data Center Company Limited	Majority share held by the CP Group, Mr. Dhanin Chearavanont and his son	Other expenses	25	
		Other accounts receivable		9
		Other accounts payable		4
True Distribution & Sales Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	67	
		Cost of sales of goods and other expenses	1,109	
		Trade and other accounts receivable		8
		Trade and other accounts payable		138
True4u Station Company Limited	Majority share held by the CP Group	Other expenses	3	
Telecom Holding Co., Ltd.	Majority share held by the CP Group and have two common Directors who are Mr. Dhanin Chearavanont and Mr. Soopakij Chearavanont	Other income	2	
Thai Kodama Company Limited	Majority share held by Mr. Dhanin Chearavanont's son	Other income	3	
Thai News Network (Inn) Co., Ltd.	Majority share held by the CP Group	Other expenses	3	
BFKT (Thailand) Co., Ltd.	Majority share held by the CP Group	Revenue from rendering of services and other income	16	
		Trade and other accounts receivable		13
Bakehouse Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son and have one common Director who is Mr. Umroong Sanphasitvong	Revenue from sales of goods	2	

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
Leadership Development Charoen Pokphand Group Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	4	
		Cost of sales of goods and other expenses	41	
		Trade ccounts receivable		7
		Other accounts payable		3
Pantavanij Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son and have one common Director who is Mr. Umroong Sanphasitvong	Revenue from sale of goods	7	
		Acquisition of asset, cost of sales of goods, and other expenses	8	
		Trade accounts receivable		2
		Trade and other accounts payable		2
Perfect Companion Group Company Limited	Majority share held by the CP Group and have one common Director who is Mr. Prasert Jarupanich	Revenue from sale of goods and rendering of services and other income	52	
		Cost of sales of goods	870	
		Trade and other accounts receivable		6
		Trade accounts payable		212
Freewill Solutions Co., Ltd.	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son and have one common Director who is Mr. Prasert Jarupanich	Acquisition of assets and other expenses	22	
		Other accounts payable		6
Pokphand Enterprise Co., Ltd.	Majority share held by the CP Group	Other expenses	6	
		Other accounts receivable		6
Magnolia Quality Development Corporation Co., Ltd.	Majority share held by Mr. Dhanin Chearavanont's son	Revenue from rendering of services	2	
		Trade accounts receivable		1
Magnolia Hotels & Resorts Co., Ltd.	Majority share held by Mr. Dhanin Chearavanont and his son	Revenue from rendering of services	1	
		Cost of sales of goods	1	
Ross Breeders Siam Company Limited	Majority share held by the CP Group and have two common Director who are Mr. Dhanin Chearavanont and Mr. Adirek Sripratak	Revenue from sale of goods	1	

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
Real Move Co., Ltd.	Majority share held by the CP Group	Revenue from rendering of services and other income	694	
		Cost of rendering of services and other expenses	86	
		Trade and other accounts receivable		265
		Trade and other accounts payable		105
Y&O Company Limited	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	4	
		Trade and other accounts payable		3
Star Marketing Co., Ltd.	Majority share held by the CP Group and have one common Director who is Mr. Prasert Jarupanich	Revenue from sale of goods and rendering of services and other income	2	
Allianz C.P. General Insurance Public Company Limited	Majority share held by the CP Group	Cost of rendering of services and other expenses	87	
		Trade and other accounts receivable		21
Arber Acers Thailand Co., Ltd.	Majority share held by the CP Group and have two common Directors who are Mr. Dhanin Chearavanont and Mr. Adirek Sripratak	Revenue from sale of goods	2	
Egg Digital Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son	Revenue from rendering of services	1	
		Acquisition of asset and other expenses	70	
		Other accounts payable		21
SM True Co., Ltd.	Majority share held by the CP Group and have two common Directors who are Mr. Soopakij Chearavanont and Mr. Narong Chearavanont	Cost of sales of goods and other expenses	3	
		Trade account receivable		2
		Trade and other accounts payable		46
Advance Pharma Co., Ltd.	Majority share held by the CP Group	Cost of sales of goods	5	
		Trade account payable		1
Ascend Group Company Limited	Majority share held by the CP Group and have one common Director who is Mr. Umroong Sanphasitvong	Revenue from sale of goods and rendering of services and other income	1	
		Other expenses	1	

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2017	Outstanding Value as at 31 Dec 2017
Ascend Commerce Company Limited	Majority share held by the CP Group and Mr. Dhanin Chearavanont's son	Other expenses	1	
C.P. Food Products, Inc	Majority share held by the CP Group	Revenue from sale of goods	6	
C.P. Vietnam Corporation	Majority share held by the CP Group and have one common Director who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services	6	
		Cost of sales of goods	10	
		Trade accounts receivable		1
		Trade accounts payable		1
Charoen Pokphand Foods Canada Inc.	Majority share held by the CP Group	Revenue from sale of goods	11	
		Trade accounts payable		7
CP Foods (UK) Limited	Majority share held by the CP Group	Cost of sales of goods	3	
		Trade accounts payable		1
Others		Revenue from sale of goods and rendering of services and other income	7	
		Acquisition of assets, cost of sales of goods and other expenses	1	
		Trade and other accounts receivable and other current assets		20
		Trade and other accounts payable and other current liabilities		19

The Company's policy on the rates of revenue and expenses with connected parties are as follows:

Revenue from sale of goods: The rates are in line with normal business practice and general commercial conditions and standardized with revenue collection from general customers.

Revenue from rendering of services and other income: The rates are in line with normal business practice and general commercial conditions.

Cost of sales of goods and rendering of services: The rates are in line with normal business practice and general commercial conditions and standardized with purchases made general customers.

Cost of rendering of services and other expenses: The rates are in line with normal business practice and general commercial conditions.

Acquisition of assets: The rates are in line with normal business practice and general commercial conditions and standardized with acquisitions made with general customers.

In 2017, the Company and its subsidiaries did transactions with related parties which these inter-company transactions were made and agreed as a normal business transaction at general market prices and commercial terms. (Details are provided in Note 5 of the Company's financial statements for the year ended December 31, 2017). The Audit Committee has reviewed that all transactions were reasonable and transparent and complied with the rules and regulations under the Notification of the Stock Exchange of Thailand regarding Related Transactions of a Listed Company.

Procedures for the Approval of Related Transactions

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

In reference to transactions with possible conflicts of interests or related transactions, the Audit Committee will review and ensure that transactions comply with the regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 and the notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions. The Audit committee will comply with the Securities and Securities Exchange laws, regulations and announcement from the Stock Exchange of Thailand, as well as the disclosure rule of the connected transaction. The policy on conflicts of interests is clearly stated in the Company's Code of Business Ethics for the directors and employees to correctly follow. In addition, the Related Transactions Review Committee has been established to monitor that these transactions are in accordance with the notification of the Capital Market Supervisory Board.

In the case of the purchases and sales of important assets of the Company and its subsidiaries, which are transactions that occur infrequently, the Company has a policy to engage external independent experts such as professional appraisers and independent financial advisors to provide counsel to the Audit Committee for further proposal to the Board of Directors.

Policy on Related Transactions

The Board of Directors has a policy that clearly states that related transactions may occur under the ordinary course of business but these transactions must be necessary and have prices comparable to prevailing market rates for the best interests of the Company. There shall be no transfer of benefits between the Company and related companies or persons. As the Company and its subsidiaries operate a retail business and must purchase and sell goods and services with other companies as well as related companies, the Company expects related transactions for the purchase and sale of goods and services will still exist in line with the Company and its subsidiaries' business expansion. Other types of transactions will depend on business necessity. Short-term loans to related companies will depend on the short-term financial needs of the related companies and the Company's policy on cash flow management.

Board of Directors' Statement of Responsibility for Financial Reports

The Board of Directors of CP ALL Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the separate and consolidated financial statement of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2016, which are prepared according to Accounting Standards and Financial Reporting Standards as announced by Thailand Federation of Accounting Professions (FAP) and correspond with the Generally Accepted Accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely, adequate to protect its asset, as well as able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

The Board of Directors believes that the effectiveness of the Company's overall internal control system is satisfactory and able to create credibility and reliability for the separate and consolidated financial statements of CP ALL Public Company Limited and its subsidiaries for the period ended December 31, 2016.

(Mr. Dhanin Chearavanont)
Chairman

(Mr. Korsak Chairasmisak)
Chairman of Executive Committee

Report of the Audit Committee

The Company's Board of Directors appointed the Audit Committee consisting of the three independent non-executive directors who are knowledgeable and have experiences in various sectors such as legal affairs, organization management, financial accounting and taxes. The Audit Committee members have composition and qualifications according to the regulations of the Stock Exchange of Thailand, comprising of Prof. Dr. Komain Bhatarabhirom, as the Chairman of the Audit Committee, Mr. Pridi Boonyoung and Mr. Padoong Techasarintr, as members of the Committee and including Mr. Kidsada Euapiyachart, the Vice President of the Internal Audit Office, as the Audit Committee Secretary.

The Audit Committee had performed the duty independently within the boundary of the roles and responsibilities as stated in the Audit Committee Charter. This was to ensure that the Company's operations were carried out with transparency, honesty and fairness in accordance with the good corporate governance principles and for the best interest of the Shareholders. The Audit Committee received good cooperation from the Company's Management and both the Internal and External Auditors.

During the year 2017, the Audit Committee had 12 meetings with the presence of all the three committee members in every meeting. These meetings were held with the Internal Auditors and sometimes the External Auditors and the Management of the Financial Accounting Department and the Operations Departments were invited to attend some agenda for exchange of ideas and suggestions. The main topics of the meetings were summarized and reported to the Company's Board of Directors every three months. Important issues are summarized as follows :

1. Review the quarterly and annually consolidated financial statements of both the Company and its subsidiaries for the year 2017 in order to consider the financial reports, the disclosure of information in the notes to financial statements, special transactions and the critical projections. This was to ensure that the financial reports of the Company and its subsidiaries were duly prepared in conformity with the accounting standards currently enacted, with complete, sufficient and reliable disclosure of information. Moreover the Audit Committee had a meeting with the external auditors without the participation of the Company's management in order to have a discussion on the key agendas which were relevant to the review and audit of the financial reports, as well as the change of accounting standards and financial report standards. The external auditors reported that there were no significant problems pertaining to accounting and finance. They had freedom and received good cooperation while carried out their duties.

   The Audit Committee has the opinion that the mentioned financial reports were essentially correct according to the accounting standards with complete and sufficient disclosure of information and its notes as well as in time for the benefits of the shareholders and the users of the financial statements.

2. Reviewed and revised the adequacy and appropriateness of the internal control system of the Company and its subsidiaries to reasonably ensure sufficiency of the internal control system of the Company's operations in line with the approved annual plan and ability to achieve the set objectives and goals. This was considered from the monthly audit report of the Internal Auditors in order to assess the internal control system, risk management, and creditability of the financial reports. The Audit Committee also acknowledged the progress report on recommended corrective actions to ensure that the Company was able to solve problems in a timely manner. In addition, the Audit Committee also enhance the audit quality improvement and provide constructive comments on effectiveness of internal control system as well as regularly monitor the results.

The Audit Committee had an opinion that the internal control system of the Company was efficient, appropriate and adequate for the business. At the same time, there was a continuous improvement in the quality of the internal control in term of personnel and implementation.

3. Reviewed the appropriateness in dealing with the related transactions or the transactions which might cause conflict of interests ; they were justifiable and yielded the highest benefits to the Company's operations and its shareholders. This included the observations for ensuring disclosure of information and operating in compliance with the announcements of the Securities and Exchange Commission and all the relevant laws. In addition, the Audit Committee instructed the Internal Auditors to emphasize reviewing the related transactions between the Company, its subsidiaries and the related parties and report those transactions to the Audit Committee meeting every month and to the Board of Directors meeting every quarter.

   The Audit Committee agreed that the related transactions or the transactions which might cause conflicts of interests were transparent, fair and generated the utmost benefits to the Company's operation and its shareholders. The same commercial conditions used with the external parties were applied. In addition, the complete and sufficient disclosure of information in accordance with the law and the regulations of the Securities and Exchange Commission was also observed.

4. The Audit Committee and the Management emphasized on the risk management. The Risk Management Committee was set up and had duty to assess the risks covering all aspects, both internal and external factors, and their possibility to happen and affect the businesses. The Risk Management Committee also established preventive measures in order to mitigate the possible impacts and keep them at the acceptable level. Moreover, the Risk Management Committee constantly monitored the progress of risk management in order to improve various measures to respond to the current changing situation. The Risk Management Committee also communicated to all employees to raise their awareness and cooperation in looking for risks and organized a competition on risks found. The summary report of the works of the Risk Management Committee was submitted to the Audit Committee and the Board of Directors every 6 months. Furthermore, the Internal Auditors were assigned to monitor and to inspect whether the risk mitigation guidelines were being followed. This was to ascertain that the Company's risks were kept at the acceptable and manageable level.

   The Audit Committee agreed that the risk management system of the Company was appropriate and sufficient for its operations. The assessment of risks, the management of risks and its progress monitoring as well as the revision of risks in order to respond to the current situation were regularly carried out.

5. The Audit Committee found that the Management had a clear approach in working according to the laws. The Compliance Unit was established in order to observe the operation in accordance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, Revenue Code, and all the laws which are important and relevant to the Company's business including the Anti-Corruption Guideline. A staff has been designated to be directly responsible for this matter. According to the review, it was not found that the Company deliberately refrained from or significantly worked against the law, the procedures or regulations that are relevant to the Company's business.

6. The Audit Committee reviewed the Audit Committee charter to align with Collective Action Coalition Against Corruption (CAC) and Dow Jones Sustainability Indexes (DJSI), and considered the annual internal audit plan that were in line with the Company's goals and risks. Moreover, the Audit Committee also considered and approved the scope of work, duties and responsibilities, sufficiency of manpower and knowledge and capabilities of personnel to ensure efficiency and effectiveness of audit work according to the set work plan.

   The Audit Committee had an opinion that the internal auditing system of the Company was independently carried out, the audit plan was in line with the Company's strategy and risk and the Company promotes trainings for employees in order to work effectively and efficiently according to international standard.

7. The Audit Committee had conducted an annual review of their works and self-evaluation according to the proper guidelines. According to the evaluation result the Audit Committee effectively performed their duties in accordance with the scope of duties an responsibilities as stated in the Audit Committee Charter.

8. The Company's Board of Directors and Management were determined to manage the business by adhering to the good corporate governance principles, working in accordance with laws, regulations and the Company's code of ethic. This was to build confidence of the shareholders and the stakeholders. The Corporate Governance Committee was appointed to drive the governance process for more efficient and effective execution. The operating results will directly be reported to the Board of Directors. On the back of good corporate governance, CPALL was admitted to the 2017 Dow Jones Sustainability Index (DJSI) Emerging Markets in the category of Food & Staples Retailing. In addition to that, the Company was certified as Private Sector Collective Action Coalition Against Corruption Council ("CAC") Member Company and become a member of United Nations Global Compact (UNGC).

9. The Audit Committee reviewed the selection of the Auditors and expressed their opinion to the Board of Directors for further endorsement at the shareholders' meeting. It was approved at the shareholders' meeting the appointment of Mr. Charoen Phosamritlert, or Mr. Veerachai Ratanajaratkul, or Ms. Munchupa Singsuksawat of KPMG Phoomchai Audit Ltd. as the Company's external auditors for the year 2017 with the total fees of Baht 5,413,000.

   In summary, the Audit Committee had an opinion that the Company's Board of Directors, the Executive Directors as well as the Management were determined to work in achieving the goals with professional quality. They have been giving the priority in working efficiently and effectively with transparency and accountability. The risk management, the policy of good corporate governance as well as the internal control systems were appropriate and circumspective.

January 24th, 2017

On behalf of the Audit Committee

(Prof. Dr. Komain Bhatarabhirom)

Chairman of the Audit Committee

Management Discussion and Analysis (MD&A)

Discussion and Analysis of Financial Position and Operating Results

Financial position and operating results of the Company reported in the consolidated financial statements were generated from 3 main businesses including 1) convenience store business in Thailand 2) other businesses in Thailand such as manufacturing and sale of ready-to-eat food and bakery products, bill payment service, and sale and maintenance of retail equipment, and 3) membership based Cash & Carry trade centers.

Retail Competitive Environment

In 2017, despite a gradual recovery of Thai economy, the development was mainly driven from export that rose in corresponding with improving global economy and tourism sectors that expanded from higher Chinese tourist arrivals. However, overall domestic spending in the first half of 2017 remained soft from the year before regardless of a better spending in the high-income segment as seen in higher sales of durable products especially vehicle sales that posted high growth. Spending in the mid- to low-income segment continued weak as high household debt and fragile consumer confidence towards economic recovery subdued household consumption. Nevertheless, in the second half of 2017 consumer spending and confidence was progressively restored as the Government stimulus scheme on shopping tax incentive during November has helped to stimulate economic growth and lifted spending.

Nevertheless, notwithstanding complicated economic factors in Thailand, retailers have proven to be resilient on the back of active new product and service and marketing strategies that constantly served the ever-changing demand of customers, which in 2017, Thai Retailers Association assessed the overall retail sector moderately grew by 3.4 percent.

In 2017, total numbers of convenience store in the chain store format were 15,883 stores, an increase of 1,036 stores from last year. (Source: CPALL's company data) The increase was largely from 7-Eleven's store expansion, while other operators focused on renovations of existing stores. As a result, CPALL has dominated the convenience store market in Thailand with 65 percents market share, followed by Tesco Lotus Express and Family Mart.

Analysis of Operating Results for the Year Ended December 31, 2017 compared to the Operating Results for the Year Ended December 31, 2016

In 2017, the Company and its subsidiaries' total revenues were Baht 489,403 million. An increase of 8.3 percent from that of 2016 was mainly driven by higher sales revenue and services income of convenience store business, other supporting businesses and the cash & carry business under the name "Siam Makro". Resilient revenue growth was a result of the Company's strategy to remain vigorous in store expansion to correspond to the change in consumer lifestyle, to serve convenience to all communities, and to offer products and services that accommodate to customers demand.

Total revenues before elimination contributed from three businesses were, (1) convenience store business accounted for 57 percent (2) membership based Cash & Carry trade centers accounted for 36 percent, and (3) other businesses in Thailand such as manufacturing and sales of convenience food, payment service, distributing and maintenance of retailing equipment accounted for 7 percent. The revenue contribution from three businesses were at a similar level in 2016.

Gross Profit

In 2017, the Company and its subsidiaries' gross profit was Baht 105,067 million, increased by 10.6 percent from last year, which was mainly due to improved performance of the convenience store business, Siam Makro's business, and other supporting businesses. In addition, the Company has developed product strategy to customise products that respond to customer's needs and increased sales participation of higher-margin products such as ready-to-eat food, health and beauty products, as well as Makro's fresh food products. Thus, gross margin in the consolidated financial statement increased from 21.9 in 2016 to 22.3 percent in 2017.

Selling and Administrative Expenses

In 2017, the Company and its subsidiaries' selling and administrative expenses rose to Baht 91,902 million, increased by 9.8 percent from last year. Selling expenses were Baht 77,300 million or up 8.6 percent YoY. Detail of selling expenses with significant changes as follows:

1) Store management fees expenses were Baht 17,632 million, up 10.5 percent from last year, mainly from higher revenue from sales and gross profit margin. In addition, store business partner stores also increased according to the Company's store management strategy to expand more in store business partner format.
2) Sales personnel expenses were Baht 15,779 million, up 8.0 percent from last year, mainly due to an increase in numbers of personnel from store expansion of both convenience store business and Siam Makro business.
3) Rental and depreciation and amortization expenses were Baht 6,729 million and Baht 6,874 million, up 11.6 percent and 13.0 percent from last year respectively mainly due to expenses related to new store expansion, existing store renovation, as well as investment in other supporting businesses.
4) Other expenses such as advertising and sales promotion expenses, utility expenses and other expenses including service fee and supplies costs also increased in accordance with sales growth and increase in number of stores.

In addition, administrative expenses were Baht 14,602 million, which an increase by 17.1 percent YoY was largely owed to higher personnel expenses, rental expenses, and depreciation and amortisation expenses.

Profit Before Tax and Net Profit

In 2017, profit before tax was Baht 23,506 million, up 16.7 percent from last year. Net profit was Baht 19,908 million, up 19.4 percent from last year and earnings per share was Baht 2.14. The improvement in net profit was mainly due to revenue growth, better cost and expense control resulting in improving margins as well as decrease of finance cost from refinancing and lower income tax expenses, from the windfall from government's tax advantage on the Company's certain capital expenditure incurred during 2016-17.

Profit before tax before elimination be contributed from three businesses in 2017 were (1) convenience store business accounted for 63 percent (2) membership based Cash & Carry trade centers accounted for 25 percent, and (3) other businesses in Thailand such as manufacturing and sales of convenience food, payment service, distributing and maintenance of retailing equipment accounted for 12 percent. The revenue contribution from three businesses were at a similar level in 2016.

Operating Results by Business Segments

Convenience Store Business

In 2017, the Company continued to expand "7-Eleven" stores to serve convenience to all communities in Bangkok and provincial areas. The new stores were in various store type including corporate, store business partner (SBP) and sub-area, where some were stand-alone stores and other were in PTT gas stations. The Company has planned to open 700 new stores per, which during 2017 the Company has successfully opened 726 new stores in various formats. At the end of 2017, CPALL operated 10,268 stores nationwide, which can be broken down into (1) 4,530 corporate stores (44 percent of total stores), an increase of 325 stores from last year, (2) 5,017 store business partner stores (49 percent of total stores), an increase of 372 stores from last year, and (3) 721 sub-area stores (7 percent of total stores) an increase of 29 stores from last year.

Regarding products and services, the Company strived to become "the convenience food store of Thais" with the continuous improvement in food and beverages and new products. These products has received great feedback from customer as lifestyles get busier and looking for convenience. In 2017, food and beverage products accounted for 70.6 percent of sales mix, while non-food items (excluding phone cards) accounted for 29.4 percent. As sales of both food and non-food categories grew largely at the same pace, product mix remained relatively the same with last year.

On the back of the dynamic expansion and successful product strategy, in 2017 the convenience store business had total sales revenue and service income of Baht 278,751 million, increased by Baht 22,350 million or 8.7 percent YoY. Gross profit amounted to Baht 78,235 million, increased by 5,684 million or 7.8 percent YoY, yet gross profit margin dropped to 28.1 percent from 28.3 percent in 2016 owing to higher oil prices which pressured logistics cost and partly from lower service income. Nevertheless, the Company was able to maintain sales mix of higher-margin products at a satisfactory level.

Meantime, other income of the convenience store business increased to Baht 17,997 million in 2017, or an increase of Baht 931 million or 5.5 percent from last year as mainly from higher income on royalties and other fees relating to license income from SBP stores as well as higher sales promotion income from co-promotion campaigns with suppliers to boost sales such as premiums redemption and stamp collection campaign.

SG&A expenses were Baht 76,244 million in 2017, or an increase of Baht 5,706 million or 8.1 percent YoY. Higher expenses included personnel expenses, store management fee and depreciation expense, in related to store expansion in which most of are in larger size than existing stores and renovation of existing stores.

Operating profit of the convenience store business was Baht 25,825 million, increased by 8.2 percent from last year, while net profit was Baht 16,618 million, increased by 17.9 percent YoY.

Other Businesses

Other businesses comprise of bill payment services, manufacturing and sale of ready-to-eat food and bakery products, distribution and maintenance of retail equipments and other businesses that mainly support the convenience store business. The Company remained active to develop new products or services that match with customer demand such as negotiating with the business partners to expand service channels of Counter Service or e-commerce retailing to provide convenience to customer. In 2017, profit before tax was Baht 3,312 million, increased by 17.6 percent from last year.

Cash & Carry Trade Centers

In 2017, Siam Makro's total revenues were Baht 186,757 million, increased by 8.1 percent YoY due to higher same store sales growth and revenue from sale of goods of new stores opened in the past year. Gross profit to total revenue increased to 12.0 percent from 11.0 percent in 2016, driven from higher sales mix of higher-margin products such as fresh food products. Hence, profit before tax was Baht 7,271 million increased by 15.9 percent YoY. (Note: investors can find additional details in Form 56-1 for the year 2017 of Siam Makro)

Non-recurring item and other income

In 2017, other income increased to Baht 18,095 million, increased from Baht 16,920 million, or an increase of 6.9 percent YoY following sales and service revenue growth. Sales promotion income was Baht 9,905 million, increased by 1.6 percent. Income on royalties and other fees relating to license income rose to Baht 2,132 million, up 10.4 percent YoY, and other income from ATM installation and mobile phone's top-up card booth amounted to Baht 6,058 or up 15.7 percent YoY.

Analysis of the Company and its Subsidiaries' Financial Status for the Year Ended December 31, 2017

Total Assets

As at December 31, 2017, the Company and its subsidiaries reported total assets of Baht 360,299 million, an increase of 2.3 percent compared to the end of 2016 was largely from an increase in property, plant, and equipment. Assets with significant changes are as follows:

Cash and cash equivalents was Baht 28,879 million. A decrease of Baht 4,564 million or 13.6 percent YoY was mainly from repayment of matured debentures during 2017.

Trade accounts receivable was Baht 1,601 million, increased by Baht 575 million or 56.0 percent YoY mainly from an increase in trade accounts receivable of Siam Makro post its purchase of share of Indoguna in early 2017. However, trade accounts receivable was a normal course for this business.

Other accounts receivable was Baht 6,712 million, increased by Baht 79 million or 1.2 percent YoY following higher sales and services revenue. Hence, majority of receivable were from sales promotion income, royalties income, and service income.

According to the aging analyses for trade and other accounts receivable, 97 percent of trade and other accounts receivable had credit term less than three months.

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Inventories were Baht 27,376 million, increased by Baht 672 million or 2.5 percent YoY following higher sales revenue. Thus, inventory turnover ratio increased to 13.54 times in 2017 from 13.12 times in 2016.

An allowance for losses is made for all deteriorated, damaged, obsolete and slow-moving inventories.

In addition, other current assets was Baht 621 million, decreased by Baht 96 million or 13.3 percent YoY from a decrease in cash cards.

Regarding the investment plan, the Company has continued to invest in order to explore new business opportunity and improve support existing operation of the Company such as store expansion, new distribution center, new ready-to-eat food manufacturing facility, new distribution channel. The investments were directly made from the Company and its subsidiaries. In 2017, investments in subsidiaries were Baht 206,833 million, increased by Baht 1,296 million or 0.6 percent YoY mainly from 1) additional investment in Lotus Distribution Investment Limited for the purpose of capital injection in indirect subsidiaries who operate commercial trading, investment, education and for business opportunity in the People's Republic of China and 2) additional investment in All Corporation Limited.

Property, plant and equipment amounted to Baht 106,394 million. An increase of Baht 7,267 million or 7.3 percent YoY was from store expansion of both 7-Eleven convenience stores and Siam Makro trade centers. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Goodwill was Baht 128,328 million, increased by Baht 2,256 or 1.8 percent YoY. During 2017, goodwill arose from Siam Makro's purchase of share at 80 percent shareholding each of 4 companies including Indoguna (Singapore) Pte Ltd, Indoguna Dubai L.L.C, Just Meat Company Limited and Indoguna Lordly Company Limited.

At initial recognition, goodwill is measured at the fair value of the purchase consideration, including non-controlling interest net book value (generally fair value) of assets and liabilities. During the year 2017, the Company measured fair values of assets acquired and liabilities derived from the business combination of Siam Makro and recorded the difference between the acquisition price and fair value of the net assets of such business combination as goodwill.

Other intangible assets were Baht 51,249 million, a majority of which was an intellectual property amount Baht 46,521 million arose from business combination of Siam Makro. Other intangible assets were divided into two categories: 1) asset with finite useful lives i.e. computer software and customer database with useful life of 2-15 years are measured at cost less accumulated amortisation and accumulated impairment losses and 2) other intangible assets that have indefinite useful lives i.e. intellectual property, business license, etc. are measured at cost less accumulated impairment losses.

The carrying amount 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.

Other non-current assets were Baht 998 million, an increase of Baht 151 million or 17.8 percent which included higher guarantee deposits that rose in line with the Company's business expansion.

Total Liabilities

As at December 31, 2017, the Company and its subsidiaries had total liabilities of Baht 280,070 million, decreased by Baht 12,595 million or 4.3 percent YoY. Liabilities with significant changes are as follows:

Trade accounts payable were Baht 74,742 million, an increase of Baht 7,784 million or 11.6 percent YoY following higher sales revenue of convenience store business and Siam Makro business.

Interest-bearing liabilities were Baht 167,038 million in 2017, a decrease of Baht 22,068 million or 11.7 percent YoY. In 2017, the Company completed 3 debenture issuances with a total amount of Baht 25,500 million and also issued perpetual debenture for the second time amount Baht 10,000 million in order to refinance for debentures matured during the year amount Baht 25,937 million and exercise call option. Thus, net debt to adjusted equity (according to definition of debenture covenants, equity shall be adjusted with deferred tax) was at 1.44 times in 2017, decreased from 2.08 times in 2016. The Company's net debt to adjusted equity was lower than debenture covenants in 2017.

Other current liabilities were Baht 14,079 million, increased by Baht 1,269 million or 12.8 percent YoY mainly from an increase in accrued personnel expenses, accrued royalties and other accrued expenses, other payable, deferred royalties and other deferred income, and accrued utilities expenses which rose in related to business expansion.

Deferred tax liabilities were Baht 15,170 million, increased by Baht 16 million or 0.1 percent due to fair value adjustment of asset acquired from the business combination of Siam Makro. 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.

Regarding contingent liabilities and off balance sheet liabilities management, the Company has contingent liabilities with third parties including: 1) commitments for capital expenditure, which is the contract that has not yet been realised such as cost of construction of new factories, cost of installing the machinery or computer system development, operating lease commitments that cannot be canceled, which covers the lease of land, buildings, vehicles and other assets and 3) other commitments by the obligations of the Company, which incurred in the normal course of business operations, such as the Letter of Credit that has not yet been used for the purchase of goods and supplies.

Total Shareholders' Equity

As at December 31, 2017, the Company and its subsidiaries had total shareholders' equity of Baht 80,229 million, an increase of Baht 20,626 million or 34.6 percent from 2016. This was mainly due to an increase in profit from business operation amount Baht 19,908 million and dividend payments of Baht 8,983 million to shareholders for the fiscal year of 2016. In addition, an increase in shareholders' equity was from an issuance of subordinated perpetual debentures amount Baht 9,956 (net of issuance costs) in November 2017.

Analysis of Statements of Cash Flows, Liquidity and Sources of Funds of the Company and its Subsidiaries for the Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

Liquidity

As at December 31, 2017, the Company reported cash and cash equivalent of Baht 28,879 million, accounting for 8.0 percent of the Company's total assets. Nevertheless, the Company's liquidity remained healthy from efficient working capital management, having negative cash cycle of 42 days in 2017 which resulted from inventory period of 27 days, payable period of 70 days, and account payable of 1 day.

Cash Flow from Operating Activities

In 2017, net cash flow from operating activities totaled Baht 46,156 million, up 21.7 percent from the same period of last year due to an increase in operating profit as well as efficiency in working capital management.

Cash Flow from Investing Activities

In 2017, net cash flow used in investing activities amounted to Baht 20,380 million increasing by 8.4 percent from the same period of last year. Investments in assets were used in the normal course of business such as land, buildings and leasehold improvements, as well as capital expenditure on stores expansion and renovation of 7-Eleven and Siam Makro business.

Cash Flow from Financing Activities

In 2017, net cash flow used in financing activities totaled Baht 30,120 million. The key financing activities were interest payment, dividend payment, as well as repayment of matured debentures and exercise call option during the year.

Financial Ratio Analysis

Net debt to equity

As at December 31, 2017, the Company and its subsidiaries net debt to adjusted equity according to definition of debenture covenants was at 1.44 times, decreased from 2.08 times in 2016. Lower net debt to equity was mainly driven by larger shareholders' equity base from increase in profit from business operation and issuance of subordinated perpetual debenture during the year. Also, the Company paid dividend payments of Baht 1.0 per share to shareholders for the fiscal year of 2016.

In addition, the Company plans to continuously reduce all interest-bearing debt obligations from our improving cash flow from operations after the allocation of dividend payment and capital expenditure investment. Therefore, net debt to equity is expected to be lower, while the Company is obligated to comply with debenture covenants

net debt to equity ratio at	5	times in 2016
net debt to equity ratio at	3.5	times in 2017
net debt to equity ratio at	2.5	times in 2017
net debt to equity ratio at	2.0	times in 2018 - 2022

Debt-Service Coverage Ratio

As at December 31, 2017, the Company and its subsidiaries Debt-Service Coverage Ratio improved to 1.32 times from 1.06 times in 2016 as a result of improving cash flow from operations and lower finance costs.

Interest Coverage Ratio

As at December 31, 2017, the Company and its subsidiaries interest coverage ratio rose to 3.94 times from 3.39 times in 2016 as a result of improving cash flow from operations and lower finance costs.

Liquidity Ratio and Quick Ratio

As at December 31, 2017, the Company's liquidity ratio and quick ratio were 0.59 times and 0.28 times, decreased from 0.61 times and 0.31 times from 2016 respectively. This was mainly due to a decrease in cash and cash equivalents on the back of continuous investment in store expansion and cash used in financing activities, as well as repayment of matured debentures and exercise call option during the year.

Return on Shareholder's Equity

In 2017, the Company's return on shareholder's equity decreased to 28.5 percent compared with 32.9 percent in last year. The DuPont Analysis is as follow:

The DuPont Analysis	2017	2016
Profit Margin (percent)	4.07	3.69
Total Asset Turnover (times)	1.37	1.33
The equity multiplier (times)	5.10	6.70

Factors which may Impact Operating Results and Financial Status of the Company and its Subsidiaries in the Future

CPALL regards the ever-changing customer demand as a major factor that impacts the Company's revenue and net profit. With our best effort, CPALL endeavors to offer products and services that correspond to the change in customer lifestyle, in order to attract more customers and deliver higher sales revenue. Moreover, the Company aims to increase the sales participation of the higher-margin ready-to-eat food products in order to enhance our profit margins. We also reaffirm our dynamic store expansion plan in order to reach customers in all provinces. Regarding other businesses such as bill payment services, manufacturing and sale of food and bakery products, maintenance of retail equipment, as well as new projects in co-operations with various organizations to develop innovation under "7 Innovation Awards", CPALL continues to provide support to the small and medium business enterprises in order for them to be able to grow along with the Company. At the same times, these businesses will support the Company's efficient operation and differentiate our products and services from competitors, resulting in higher revenue of the Company.

For supply chain management, currently the Company has a total of 7 regional distribution centers for consumer products, 9 regional distribution centers for temperature-controlled products, and 2 regional distribution centers for frozen products, making CPALL the retailer with the largest distribution center coverage in Thailand. These distribution centers will support the Company's future store expansion and enable efficient delivery system, which eventually strengthen the Company's competitive advantage in the long term.

Regarding Siam Makro business, we expect improving sales revenue on the back of its highly resilient operation and store expansion. Although the Company incurred interest-bearing debts from such acquisition, we believe that our improving operating cash flow will be able to service all debt obligations.

Others

In 2017, the Company has expenses related to research and technological development that were certified by Research and Technological Development Project of the National Science and Technology Development Agency amount Baht 2.53 million. Majority of the projects were related to ready-to-eat food products which also support the Company's business operation.

Project Value (Unit : million Baht)	2014	2016	2017
Research and Technological Development Projects	0.45	9.32	2.53

ANNUAL FINANCIAL STATEMENTS AND AUDITOR REPORT OF CERTIFIED PUBLIC ACCOUNTANT

for the year ended 31 December 2017

Independent Auditor's Report

To the Shareholders of CP ALL Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries (the "Group") and of CP ALL Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of income and 5comprehensive 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 2017 their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories	
Refer to notes 3 (g) and 10 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.	My audit procedures included the following: • 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.

Acquisition of business	
Refer to note 3 (a) and 4 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
On 26 January 2017, the Group acquired 4 companies, which are engaging in food services business. During 2017, the Group had completed assessing the fair value of the net assets acquired resulting in the recording of goodwill of Baht 2,256 million and intangible assets - trademark and customer relationship in the consolidated statement of financial position as at 31 December 2017 of Baht 449 million and Baht 59 million, respectively. I considered this as the key audit matter because the accounting for the business combination is complex and the identification and fair value measurement of assets acquired and liabilities assumed requires significant judgment and the amount of this business combination is significant.	My audit procedures included the following: • Read the sale and purchase agreement and analysis memorandum of business combination prepared by the Group to understand key terms and conditions. • Evaluated the qualifications and independence of the independent valuer of the Group. • Evaluated the assessment by the Group of the identification of all the assets acquired and liabilities assumed and consideration transferred. • Consulted the valuation specialist to evaluate appropriateness of the key assumptions and the financial methodologies. • Tested calculation. • 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 3 (k), 3 (m), 4, 15 and 16 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition. 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. 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.	My audit procedures included the following: • 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 consulted with valuation specialists relating to 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.

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 report the fact. I have nothing to report in this regard.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2018

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	*Note*	2017	2016	2017	2016
			(in Baht)		
Current assets					
Cash and cash equivalents	*6*	28,878,805,807	33,443,165,713	17,651,393,427	23,734,915,516
Current investments	*7*	1,384,828,450	1,375,805,321	-	-
Trade accounts receivable	*5, 8*	1,600,923,067	1,026,397,342	123,933,134	135,154,279
Other current receivables	*5, 9*	6,711,808,665	6,633,062,701	4,642,187,758	4,672,571,659
Short-term loans to subsidiaries	*5*	-	-	4,700,000,000	4,825,000,000
Inventories	*5, 10*	27,376,288,301	26,704,519,921	12,723,675,751	11,768,808,006
Other current assets	*11*	620,614,659	716,180,652	380,037,397	622,674,568
Total current assets		**66,573,268,949**	**69,899,131,650**	**40,221,227,467**	**45,759,124,028**
Non-current assets					
Investments in subsidiaries	*12*	-	-	206,833,435,450	205,536,615,465
Investment in related company	*5*	34,000,000	34,000,000	34,000,000	34,000,000
Other long-term investments		411,582	411,582	-	-
Other non-current receivables	*5, 9*	1,398,280,779	1,529,604,723	1,117,061,842	1,058,318,882
Investment properties		332,832,502	332,832,502	-	-
Property, plant and equipment	*5, 14*	106,394,003,141	99,127,338,210	28,293,610,814	25,638,562,200
Goodwill	*15*	128,328,020,219	126,072,806,116	-	-
Leasehold rights		4,075,075,362	3,310,401,353	350,572,697	353,623,206
Other intangible assets	*5, 16*	51,249,433,794	50,276,019,608	1,329,559,931	1,085,225,352
Deferred tax assets	*17*	914,761,384	837,609,277	427,728,693	397,024,902
Other non-current assets	*18*	998,477,965	847,897,641	1,102,560,662	1,009,597,854
Total non-current assets		**293,725,296,728**	**282,368,921,012**	**239,488,530,089**	**235,112,967,861**
Total assets		**360,298,565,677**	**352,268,052,662**	**279,709,757,556**	**280,872,091,889**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	*Note*	2017	2016	2017	2016
			(in Baht)		
Current liabilities					
Short-term borrowings from financial institutions	*19*	4,325,529,841	3,515,916,378	-	-
Trade accounts payable	*5, 20*	74,742,349,126	66,958,801,792	38,336,434,575	33,621,093,859
Other payables	*5, 21*	14,079,123,589	13,229,465,176	16,848,314,053	15,624,826,365
Current portion of debentures	*19*	14,747,000,000	25,937,000,000	14,747,000,000	25,937,000,000
Current portion of long-term borrowings from financial institutions	*19*	2,031,562,129	2,000,000,000	-	-
Current portion of finance lease liabilities	*19*	118,346,596	101,129,260	-	-
Income tax payable		1,206,249,753	1,063,027,985	269,692,579	310,253,344
Other current liabilities		856,797,848	1,012,769,720	571,934,035	598,425,164
Total current liabilities		**112,106,958,882**	**113,818,110,311**	**70,773,375,242**	**76,091,598,732**
Non-current liabilities					
Debentures	*19*	140,877,900,000	154,221,800,000	140,877,900,000	154,221,800,000
Long-term borrowings from financial institutions	*19*	4,250,087,159	2,585,234,699	-	-
Finance lease liabilities	*19*	687,562,120	744,891,779	-	-
Provisions for employee benefits	*22*	2,787,297,899	2,521,712,537	1,537,960,822	1,395,639,438
Accrued guarantee deposits	*23*	3,592,742,121	3,342,475,313	3,457,758,770	3,220,006,053
Deferred tax liabilities	*17*	15,170,073,335	15,154,065,090	-	-
Other non-current liabilities		597,163,890	276,558,816	74,665,633	30,391,263
Total non-current liabilities		**167,962,826,524**	**178,846,738,234**	**145,948,285,225**	**158,867,836,754**
Total liabilities		**280,069,785,406**	**292,664,848,545**	**216,721,660,467**	**234,959,435,486**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity *(Continued)*	Note	Consolidated financial statements 31 December 2017	Consolidated financial statements 31 December 2016	Separate financial statements 31 December 2017	Separate financial statements 31 December 2016
			(in Baht)		
Equity					
Share capital	*24*				
Authorised share capital		8,986,296,048	8,986,296,048	8,986,296,048	8,986,296,048
Issued and paid-up share capital		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	*24*				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Retained earnings					
Appropriated					
Legal reserve	*25*	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		45,728,253,122	35,343,853,721	31,511,524,662	24,392,313,676
Other components of equity		(1,871,909,946)	(1,668,028,969)	-	-
Total		**55,423,761,403**	**45,243,242,979**	**43,078,942,889**	**35,959,731,903**
Subordinated perpetual debentures	*26*	19,909,154,200	9,952,924,500	19,909,154,200	9,952,924,500
Equity attributable to equity holders of the Company		**75,332,915,603**	**55,196,167,479**	**62,988,097,089**	**45,912,656,403**
Non-controlling interests	*13*	4,895,864,668	4,407,036,638	-	-
Total equity		**80,228,780,271**	**59,603,204,117**	**62,988,097,089**	**45,912,656,403**
Total liabilities and equity		**360,298,565,677**	**352,268,052,662**	**279,709,757,556**	**280,872,091,889**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of income

	Note	Consolidated financial statements For the year ended 31 December 2017	Consolidated financial statements For the year ended 31 December 2016	Separate financial statements For the year ended 31 December 2017	Separate financial statements For the year ended 31 December 2016
			(in Baht)		
Revenues	*5*				
Revenue from sale of goods and rendering of services		471,069,225,169	434,711,870,911	278,751,086,839	256,401,027,194
Interest income		238,501,420	229,690,303	363,751,532	308,173,491
Dividend income		182,701	163,239	5,472,621,331	4,470,886,226
Net foreign exchange gain		-	77,085,537	-	4,254
Other income	*28*	18,095,340,480	16,920,037,788	17,996,860,731	17,065,679,950
Total revenues		**489,403,249,770**	**451,938,847,778**	**302,584,320,433**	**278,245,771,115**
Expenses	*5*				
Cost of sale of goods and rendering of services	*10*	366,002,294,766	339,688,047,959	200,515,856,459	183,850,369,455
Distribution costs	*10, 29*	77,299,851,358	71,190,584,103	65,297,505,088	60,558,714,358
Administrative expenses	*30*	14,601,877,254	12,475,467,985	10,946,347,799	9,978,606,717
Net foreign exchange loss		539,437	-	15,883	-
Finance costs	*33*	7,992,599,228	8,442,319,828	7,643,856,164	8,154,747,068
Total expenses		**465,897,162,043**	**431,796,419,875**	**284,403,581,393**	**262,542,437,598**
Profit before income tax expense		**23,506,087,727**	**20,142,427,903**	**18,180,739,040**	**15,703,333,517**
Income tax expense	*34*	3,487,045,675	3,323,335,940	1,563,042,248	1,604,276,115
Profit for the year		**20,019,042,052**	**16,819,091,963**	**16,617,696,792**	**14,099,057,402**
Profit attributable to:					
Equity holders of the Company		19,907,708,161	16,676,510,405	16,617,696,792	14,099,057,402
Non-controlling interests	*13*	111,333,891	142,581,558	-	-
Profit for the year		**20,019,042,052**	**16,819,091,963**	**16,617,696,792**	**14,099,057,402**
Basic earnings per share *(Baht)*	*36*	**2.14**	**1.85**	**1.77**	**1.57**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements For the year ended 31 December 2017	Consolidated financial statements For the year ended 31 December 2016	Separate financial statements For the year ended 31 December 2017	Separate financial statements For the year ended 31 December 2016
			(in Baht)		
Profit for the year		**20,019,042,052**	**16,819,091,963**	**16,617,696,792**	**14,099,057,402**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statement		(222,219,626)	(555,881,507)	-	-
		(222,219,626)	**(555,881,507)**	**-**	**-**
Items that will not be reclassified subsequently to profit or loss					
Loss on remeasurement of defined benefit plans	*22, 34*	(50,608,119)	(172,406,411)	(19,230,572)	(113,993,355)
Income tax relating to components of other comprehensive income on losses on remeasurement of defined benefit plans	*17, 34*	9,817,033	30,138,265	3,846,114	22,798,671
		(40,791,086)	**(142,268,146)**	**(15,384,458)**	**(91,194,684)**
Other comprehensive income for the year, net of income tax		**(263,010,712)**	**(698,149,653)**	**(15,384,458)**	**(91,194,684)**
Total comprehensive income for the year		**19,756,031,340**	**16,120,942,310**	**16,602,312,334**	**14,007,862,718**
Total comprehensive income attributable to:					
Equity holders of the Company		19,663,619,772	15,978,592,734	16,602,312,334	14,007,862,718
Non-controlling interests	*13*	92,411,568	142,349,576	-	-
Total comprehensive income for the year		**19,756,031,340**	**16,120,942,310**	**16,602,312,334**	**14,007,862,718**

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

		Consolidated financial statements										
				Retained earnings		Other components of equity						
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Exchange differences on translating financial statement	Differences on acquisition of non-controlling interests	Total other components of equity	Subordinated perpetual debentures	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
							(in Baht)					
For the year ended 31 December 2017												
Balance at 1 January 2017		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**35,343,853,721**	**(525,443,344)**	**(1,142,585,625)**	**(1,668,028,969)**	**9,952,924,500**	**55,196,167,479**	**4,407,036,638**	**59,603,204,117**
Transactions with equity holders, recorded directly in equity												
Distributions to equity holders												
Dividends	*37*	-	-	-	(8,983,101,348)	-	-	-	-	(8,983,101,348)	(90,654,511)	(9,073,755,859)
Total distributions to equity holders		**-**	**-**	**-**	**(8,983,101,348)**	**-**	**-**	**-**	**-**	**(8,983,101,348)**	**(90,654,511)**	**(9,073,755,859)**
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	-	-	205,555,158	205,555,158
Called for additional paid-up share capital from subsidiaries		-	-	-	-	-	-	-	-	-	281,515,815	281,515,815
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**487,070,973**	**487,070,973**
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**(8,983,101,348)**	**-**	**-**	**-**	**-**	**(8,983,101,348)**	**396,416,462**	**(8,586,684,886)**
Comprehensive income for the year												
Profit		-	-	-	19,907,708,161	-	-	-	-	19,907,708,161	111,333,891	20,019,042,052
Other comprehensive income		-	-	-	(40,207,412)	(203,880,977)	-	(203,880,977)	-	(244,088,389)	(18,922,323)	(263,010,712)
Total comprehensive income for the year		**-**	**-**	**-**	**19,867,500,749**	**(203,880,977)**	**-**	**(203,880,977)**	**-**	**19,663,619,772**	**92,411,568**	**19,756,031,340**
Issuance of subordinated perpetual debentures	*26*	-	-	-	-	-	-	-	9,956,229,700	9,956,229,700	-	9,956,229,700
Interest payment on subordinated perpetual debentures	*26*	-	-	-	(500,000,000)	-	-	-	-	(500,000,000)	-	(500,000,000)
Balance at 31 December 2017		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**45,728,253,122**	**(729,324,321)**	**(1,142,585,625)**	**(1,871,909,946)**	**19,909,154,200**	**75,332,915,603**	**4,895,864,668**	**80,228,780,271**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements										
				Retained earnings		Other components of equity						
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Exchange differences on translating financial statement	Differences on acquisition of non-controlling interests	Total other components of equity	Subordinated perpetual debentures	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
							(in Baht)					
For the year ended 31 December 2016												
Balance at 1 January 2016		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**26,894,168,922**	**30,439,934**	**(1,142,585,625)**	**(1,112,145,691)**	**-**	**37,349,441,458**	**4,326,296,038**	**41,675,737,496**
Transactions with equity holders, recorded directly in equity												
Distributions to equity holders												
Dividends	*37*	-	-	-	(8,084,791,213)	-	-	-	-	(8,084,791,213)	(82,499,566)	(8,167,290,779)
Total distributions to equity holders		**-**	**-**	**-**	**(8,084,791,213)**	**-**	**-**	**-**	**-**	**(8,084,791,213)**	**(82,499,566)**	**(8,167,290,779)**
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	-	-	20,890,590	20,890,590
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,890,590**	**20,890,590**
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**(8,084,791,213)**	**-**	**-**	**-**	**-**	**(8,084,791,213)**	**(61,608,976)**	**(8,146,400,189)**
Comprehensive income for the year												
Profit		-	-	-	16,676,510,405	-	-	-	-	16,676,510,405	142,581,558	16,819,091,963
Other comprehensive income		-	-	-	(142,034,393)	(555,883,278)	-	(555,883,278)	-	(697,917,671)	(231,982)	(698,149,653)
Total comprehensive income for the year		**-**	**-**	**-**	**16,534,476,012**	**(555,883,278)**	**-**	**(555,883,278)**	**-**	**15,978,592,734**	**142,349,576**	**16,120,942,310**
Issuance of subordinated perpetual debentures	*26*	-	-	-	-	-	-	-	9,952,924,500	9,952,924,500	-	9,952,924,500
Balance at 31 December 2016		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**35,343,853,721**	**(525,443,344)**	**(1,142,585,625)**	**(1,668,028,969)**	**9,952,924,500**	**55,196,167,479**	**4,407,036,638**	**59,603,204,117**

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

	Note	Separate financial statements					
				Retained earnings			
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Subordinated perpetual debentures	Total equity
		(in Baht)					
For the year ended 31 December 2017							
Balance at 1 January 2017		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**24,392,313,676**	**9,952,924,500**	**45,912,656,403**
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	*37*	-	-	-	(8,983,101,348)	-	(8,983,101,348)
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**(8,983,101,348)**	**-**	**(8,983,101,348)**
Comprehensive income for the year							
Profit		-	-	-	16,617,696,792	-	16,617,696,792
Other comprehensive income		-	-	-	(15,384,458)	-	(15,384,458)
Total comprehensive income for the year		**-**	**-**	**-**	**16,602,312,334**	**-**	**16,602,312,334**
Issuance of subordinated perpetual debentures	*26*	-	-	-	-	9,956,229,700	9,956,229,700
Interest payment on subordinated perpetual debentures	*26*	-	-	-	(500,000,000)	-	(500,000,000)
Balance at 31 December 2017		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**31,511,524,662**	**19,909,154,200**	**62,988,097,089**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
				Retained earnings			
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Subordinated perpetual debentures	Total equity
				(in Baht)			
For the year ended 31 December 2016							
Balance at 1 January 2016		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**18,469,242,171**	**-**	**30,036,660,398**
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	*37*	-	-	-	(8,084,791,213)	-	(8,084,791,213)
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**(8,084,791,213)**	**-**	**(8,084,791,213)**
Comprehensive income for the year							
Profit		-	-	-	14,099,057,402	-	14,099,057,402
Other comprehensive income		-	-	-	(91,194,684)	-	(91,194,684)
Total comprehensive income for the year		**-**	**-**	**-**	**14,007,862,718**	**-**	**14,007,862,718**
Issuance of subordinated perpetual debentures	*26*	-	-	-	-	9,952,924,500	9,952,924,500
Balance at 31 December 2016		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**24,392,313,676**	**9,952,924,500**	**45,912,656,403**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements For the year ended 31 December 2017	Consolidated financial statements For the year ended 31 December 2016	Separate financial statements For the year ended 31 December 2017	Separate financial statements For the year ended 31 December 2016
			(in Baht)		
Cash flows from operating activities					
Profit for the year		20,019,042,052	16,819,091,963	16,617,696,792	14,099,057,402
Adjustments to reconcile profit to cash receipts					
Depreciation	*14, 32*	8,744,367,811	7,531,514,686	5,349,808,290	4,695,945,107
Amortisation of leasehold rights	*32*	281,115,986	272,668,676	109,789,207	113,356,105
Amortisation of other intangible assets	*16, 32*	532,693,903	509,824,680	183,179,483	170,342,502
Interest income		(238,501,420)	(229,690,303)	(363,751,532)	(308,173,491)
Dividend income		(182,701)	(163,239)	(5,472,621,331)	(4,470,886,226)
Finance costs	*33*	7,992,599,228	8,442,319,828	7,643,856,164	8,154,747,068
Income tax expense	*34*	3,487,045,675	3,323,335,940	1,563,042,248	1,604,276,115
Provisions for employee benefits	*22*	292,894,527	265,437,616	147,590,112	137,295,439
Reversal of allowance for losses on decline in value of inventories	*10*	(30,832,722)	(61,448,372)	(33,125,785)	(23,812,867)
(Reversal of) impairment for losses on property, plant and equipment	*14*	4,470,000	(7,230,000)	-	-
Impairment for losses on other intangible assets	*16*	2,500,000	-	-	-
Bad and doubtful debts expenses	*8, 9*	17,845,869	12,187,265	6,811,984	5,265,577
Unrealised (gain) loss on exchange		(15,695,822)	33,250,913	-	-
Gain on disposal of investment properties		-	(749,056)	-	-
Loss on disposal and write-off of property, plant and equipment		110,013,847	29,784,778	91,586,105	29,059,367
Gain on disposal of leasehold rights		(8,944,109)	(12,522,420)	(8,944,109)	(12,522,420)
Loss on disposal and write-off of other intangible assets		48,846	-	48,846	-
		41,190,480,970	36,927,612,955	25,834,966,474	24,193,949,678
Changes in operating assets and liabilities					
Trade accounts receivable		(28,187,843)	(172,889,978)	11,221,145	(7,687,390)
Other receivables		(18,077,775)	(1,263,988,321)	(48,921,401)	(651,419,138)
Inventories		(301,254,520)	(1,571,418,745)	(921,741,960)	(1,123,249,566)
Other current assets		113,573,987	1,814,638,769	240,152,953	1,814,629,264
Other non-current assets		(163,008,327)	(299,651,400)	(92,962,808)	457,688,717
Trade accounts payable		7,529,126,007	4,336,248,197	4,715,340,716	813,712,563
Other payables		1,179,093,305	1,054,485,919	1,473,552,805	947,359,416
Other current liabilities		(160,359,728)	254,695,431	(26,491,129)	143,114,077

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Continued)

	Note	Consolidated financial statements For the year ended 31 December 2017	Consolidated financial statements For the year ended 31 December 2016	Separate financial statements For the year ended 31 December 2017	Separate financial statements For the year ended 31 December 2016
			(in Baht)		
Provisions for employee benefits paid	*22*	(82,251,793)	(16,256,863)	(29,256,600)	(6,558,630)
Transferred in of provisions for employee benefits	*22*	1,208,160	632,200	4,757,300	1,319,600
Accrued guarantee deposits		250,266,808	278,489,499	237,752,717	259,178,758
Other non-current liabilities		147,794,379	142,384,797	44,274,370	30,391,263
Net cash generated from operating activities		49,658,403,630	41,484,982,460	31,442,644,582	26,872,428,612
Income tax paid		(3,502,425,687)	(3,545,531,914)	(1,630,460,691)	(1,710,278,698)
Net cash from operating activities		**46,155,977,943**	**37,939,450,546**	**29,812,183,891**	**25,162,149,914**
Cash flows from investing activities					
Interest received		270,653,328	197,872,783	377,501,890	286,930,263
Dividends received		182,701	163,239	5,472,621,331	4,470,886,226
Acquisition of current investments	*7*	(2,030,841,607)	(2,757,000,000)	-	-
Proceeds from sale of current investments	*7*	2,021,402,472	2,783,250,140	-	-
Cash outflow on short-term loans to subsidiaries	*5*	-	-	(610,000,000)	(1,992,000,000)
Proceeds from repayment of short-term loans to subsidiaries	*5*	-	-	735,000,000	67,000,000
Acquisition of investments in subsidiaries	*12*	-	-	(1,296,819,985)	(2,936,984,000)
Acquisition of investment in related company	*5*	-	(10,000,000)	-	(10,000,000)
Proceeds from sale of investment properties		-	1,116,563	-	-
Acquisition of property, plant and equipment	*39*	(15,976,344,273)	(17,875,623,316)	(8,029,604,403)	(8,214,091,270)
Proceeds from sale of property, plant and equipment		166,686,200	284,223,637	122,015,956	89,321,502
Acquisition of leasehold rights		(1,066,731,257)	(352,577,084)	(108,386,187)	(80,403,438)
Proceeds from sale of leasehold rights		13,120,816	12,793,783	13,075,816	12,793,783
Acquisition of other intangible assets	*39*	(1,060,471,319)	(1,079,916,911)	(450,626,949)	(455,484,693)
Proceeds from sale of other intangible assets		2,284,359	1,533,826	71,640	-
Net cash outflows on acquisition of subsidiaries	*4*	(2,720,264,199)	-	-	-
Net cash used in investing activities		**(20,380,322,779)**	**(18,794,163,340)**	**(3,775,150,891)**	**(8,762,031,627)**

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Continued)

	Note	Consolidated financial statements For the year ended 31 December 2017	Consolidated financial statements For the year ended 31 December 2016	Separate financial statements For the year ended 31 December 2017	Separate financial statements For the year ended 31 December 2016
			(in Baht)		
Cash flows from financing activities					
Interest paid		(8,325,271,533)	(8,260,805,751)	(8,060,101,896)	(8,021,739,916)
Interest paid on subordinated perpetual debentures	*26*	(500,000,000)	-	(500,000,000)	-
Dividends paid to equity holders of the Company		(8,982,782,893)	(8,084,896,388)	(8,982,782,893)	(8,084,896,388)
Dividends paid to non-controlling interests		(90,654,511)	(82,499,566)	-	-
Payment by lessee for reduction of the outstanding liabilities relating to a finance lease		(180,596,740)	(146,747,222)	-	-
Increase (decrease) in short-term borrowings from financial institutions	*19*	434,669,640	(8,367,065,412)	-	(9,000,000,000)
Proceeds from issue of debentures	*19*	25,500,000,000	19,000,000,000	25,500,000,000	19,000,000,000
Repayment of debentures	*19*	(50,033,900,000)	(11,841,200,000)	(50,033,900,000)	(11,841,200,000)
Increase in long-term borrowings from financial institutions	*19*	1,821,279,374	576,507,800	-	-
Proceeds from issue of subordinated perpetual debentures	*26*	9,956,229,700	9,952,924,500	9,956,229,700	9,952,924,500
Acquisition of subsidiaries with non-controlling interests		-	20,890,590	-	-
Proceeds from called for additional paid-up share capital from subsidiaries		281,515,815	-	-	-
Net cash used in financing activities		**(30,119,511,148)**	**(7,232,891,449)**	**(32,120,555,089)**	**(7,994,911,804)**
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(4,343,855,984)	11,912,395,757	(6,083,522,089)	8,405,206,483
Effect of exchange rate changes on cash and cash equivalents		(220,503,922)	12,518,372	-	-
Net increase (decrease) in cash and cash equivalents		**(4,564,359,906)**	**11,924,914,129**	**(6,083,522,089)**	**8,405,206,483**
Cash and cash equivalents at 1 January		33,443,165,713	21,518,251,584	23,734,915,516	15,329,709,033
Cash and cash equivalents at 31 December	*6*	**28,878,805,807**	**33,443,165,713**	**17,651,393,427**	**23,734,915,516**

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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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 22 February 2018.

1 General information

CP ALL Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 313 C.P. Tower, 24th Floor, Silom Road, Kwang Silom, Khet Bangrak, Bangkok 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand on 14 October 2003.

The ultimate parent company of the Company and its subsidiaries (together referred to as the "Group") during the financial year was Charoen Pokphand Group Company Limited which incorporated in Thailand.

The principal businesses of the Group are operating convenience stores, cash and carry, payment centers and the related supporting services.

The Company operates convenience stores under the "7-Eleven" trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 31 December 2017 was 10,268 stores *(2016: 9,542 stores)*.

	2017	2016
	(number of stores)	
The Company owns and manages convenience stores	4,530	4,205
The Company franchises the license to other retailers		
- under management agreements	5,017	4,645
- under sub-license agreements	721	692
Total	**10,268**	**9,542**

Details of the Company's subsidiaries as at 31 December 2017 and 2016 are given in note 12 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 ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in these accounting policies.

(c) Functional and presentation currency

The financial statements are prepared and 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.

(d) Use of judgements and estimates

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

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

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognised in the financial statements is included in the following notes to the financial statements:

Note 4	Acquisition of subsidiaries: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis
Notes 14, 15 to 16	Impairment test: key assumptions underlying recoverable amounts
Note 22	Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

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.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer (CFO).

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as selling prices) or indirectly (i.e. derived from prices).
- 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.

Further information about the assumptions made in measuring fair values is included in note 4 and 38 to the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these 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 Group controls an entity when it is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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 (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred is measured as the fair 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, and 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 fair value or 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.

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 exchange rates 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 exchange rates ruling at the dates of the transactions.

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

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

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

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

(d) Hedging

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates and the forward premium/discount is amortised as income/expense on a straight-line basis over the forward contract period.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

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

Cost is calculated using the weighted average cost principal 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 discount as specified in the contractual agreements. In the case of manufactured finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

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

(h) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments and stated at amortised cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Equity securities which are not marketable are stated at cost less any impairment losses.

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 applied to the carrying value of the total holding of the investment.

(i) 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.

(j) Property, plant and equipment

Recognition and measurement

Owned assets of the Group

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, and capitalised borrowing costs. 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.

Leased assets

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 lease 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 charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the 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.

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 and improvements	3 - 50 years
Leasehold improvements	over the lease period
Machinery and equipment	3 - 15 years
Furniture, fixtures and office equipment	2 - 10 years
Others	
- Electricity and water systems	5 - 20 years
- Vehicles	5 years
- Library book	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.

(k) 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 3(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. intellectual property, business license, etc. are measured at cost less accumulated impairment losses. They are not amortised but tested for impairment annually or more frequently if there is any impairment indicator. The assessment of the classification of intangible assets as indefinite is reviewed annually.

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 and brands, 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 - 10 years
Intellectual property and business license	indefinite useful lives
Customer base and other	7, 10 and 15 years

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

(l) Leasehold rights

Leasehold rights, acquired by the Group, have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is recognised in the profit or loss. The Company amortises the cost of leasehold rights on a straight line basis over the periods of the lease agreements between 10 to 31 years.

(m) Impairment

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.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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.

Reversals 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. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

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) Interest-bearing liabilities

Interest-bearing liabilities are recognised as stated in the agreement.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(p) 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 occurs.

Other long-term employee benefits

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

Termination benefits

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

Short-term employee benefits

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

(q) 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.

(r) Subordinated perpetual debentures

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

(s) Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

Sales of goods and services rendered

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. The Group will not recognise revenue if there is continuing control or management involvement with the goods sold or there are significant uncertainties regarding the measurement of consideration due and associated costs, or the probable return of goods. Service income is recognised as services are provided.

Initial fees, royalties and exclusivity fees

The Company recognises the initial fee obtained under the Management Agreements of the 7-Eleven convenience stores upon completion of the required services for the franchisees.

The Company recognises the royalty fee arising from the license for operating its 7-Eleven convenience stores over the period of the Management Agreements.

The Company has agreements with the merchandise suppliers to purchase their products to distribute in the 7-Eleven convenience stores. Under the terms of the agreements, the Company is entitled to charge exclusivity fees for the goods as specified in the agreements. In case of violation or cancellation of the agreements by the Company without reasonable cause, the suppliers have rights to a refund of such exclusivity fees according to the valuation of remaining period. But in case of cancellation of the agreements by the merchandise suppliers, such exclusivity fees are non-refundable. The Company recognises the exclusivity fees as income over the periods of agreements.

Customer loyalty programmes

The Group has customer loyalty programmes whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products or gift, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

Other income

Other operating income and interest income are recognised in profit or loss on a accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

(t) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(u) Operating leases

Payments made under operating leases 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.

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.

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.

(v) 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.

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 judgements about future events. New information may become available that causes the Group to change its judgement 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. 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.

(w) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company less cumulative interest for the year on subordinated perpetual debentures whether it has been accrued or not by the weighted average number of ordinary shares outstanding during the year.

(x) Segment reporting

Segment results that are reported to the chairman of the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Business combination by acquisition of shares

At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited ("Siam Makro")) held on 8 August 2016, the subsidiary's Board of Directors approved Siam Food Services Limited ("SFS"), a wholly-owned subsidiary of Siam Makro to enter into a sale and purchase agreement dated 31 October 2016 with non-related persons of Siam Makro (the "sellers") for an acquisition of ordinary shares at 80% shareholding each of 4 companies, which are engaging in food services business, namely Indoguna (Singapore) Pte Ltd (a company incorporated in Singapore), Indoguna Dubai L.L.C (a company incorporated in the United Arab Emirates), Just Meat Company Limited and Indoguna Lordly Company Limited (formerly "Lordly Company Limited") (both companies incorporated in Hong Kong Special Administrative Region of the People's Republic of China), with a cash payment amounting to SGD 110.6 million, which is equivalent to Baht 2,744 million (exchange rate of Baht 24.81: SGD 1). SFS has accomplished the terms according to the sale and purchase agreement and the share transfer has been completed on 26 January 2017 ("the acquisition date"). Conditionally, within 90 days from the acquisition date, SFS can propose the adjusted acquisition value ("the additional acquisition value") in accordance with the terms of the sale and purchase agreement. On 27 June 2017, SFS and the sellers agreed to adjust value of additional acquisition value amounting to Baht 101 million; and the payment was completed on 17 July 2017. In addition, SFS still have an obligation to make a contingent consideration in accordance with EBITDA as stipulated in the agreement.

On 26 January 2017 ("the acquisition date"), SFS has control over the 4 subsidiaries, details are as follows:

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
Indoguna (Singapore) Pte Ltd						
- Ordinary shares	985,263	80	-	-	985,263	80
Total	**985,263**	**80**	**-**	**-**	**985,263**	**80**
Indoguna Dubai L.L.C						
- Ordinary shares	117	39	123*	41*	240	80
Total	**117**	**39**	**123**	**41**	**240**	**80**
Just Meat Company Limited						
- Ordinary shares	800	80	-	-	800	80
Total	**800**	**80**	**-**	**-**	**800**	**80**

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
Indoguna Lordly Company Limited (formerly "Lordly Company Limited")						
- Ordinary shares	8,000	80	-	-	8,000	80
Total	**8,000**	**80**	**-**	**-**	**8,000**	**80**

* Owned by nominee holders.

The Group has applied Thai Financing Reporting Standards ("TFRS") No. 3 (revised 2016) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of identifiable assets acquired and liabilities assumed.

Consideration transferred and transferable

	(in million Baht)
Cash paid	2,845
Contingent consideration as stipulated in the agreement	232
Total	**3,077**

Contingent consideration

As stipulated in the agreement, SFS agreed to make an additional contingent consideration to the seller when the seller achieves targeted EBITDA.

SFS recorded contingent consideration determined by the best estimate, amounting to Baht 232 million (fair value at the acquisition date), based on discount rates at 2.06% per annum in 2018 and 2.12% per annum in 2019.

The following tables show the valuation technique and the key unobservable inputs used in the determination of fair value of the contingent consideration.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of conditions as stipulate in the agreement, the amount to be paid under each scenario, and the probability of each scenario.	• Risk-adjusted discount rate (at 2.06% per annum and 2.12% per annum) • Forecast EBITDA margin	• The estimated fair value would increase if the risk-adjusted discount rate was lower. • The estimated fair value will be decreased if the EBITDA will not achieve in accordance with conditions stipulated in the agreement.

For the fair value of contingent consideration, changing one or more of the significant unobservable inputs used to reasonably possible alternative assumptions would have the effects. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable inputs that might reasonably have been considered by a market participant to price the contingent consideration at the end of the reporting date. Any interrelationship between the unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions.

Sensitivity analysis

For the fair values of contingent consideration, reasonably possible changes at 31 December 2017 to one of the significant unobservable inputs, holding other inputs constant, the significant unobservable inputs that would have effects to fair values of contingent consideration and profit or loss is that EBITDA in 2018 is not achieved conditions as stipulated in the agreement, it would have effect to increase in profit of the consolidated financial statement for the year ended 31 December 2017 amounting to Baht 232 million.

During the year 2017 the Group engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. The independent appraiser completed the process of appraising the fair value on 27 December 2017. The principle factors that contributed to goodwill are the synergy benefits from the exchange of knowledge and skills among personel, which increase the operating efficiency of the Group, and product development. Moreover, centralisation will create economies of scale, which in turn generates cost efficiency, especially in distribution centers. Goodwill from the business acquisitions will not qualify for any tax deduction.

For the preparation of the consolidated financial statements for the year ended 31 December 2017, the Group has considered the fair values of the identifiable assets acquired and liabilities assumed from the business acquisitions and recorded the difference between the purchasing price and values of the assets and liabilities in the account "Goodwill" amounting to Baht 2,256 million by considering the information from the report of the independent appraiser dated 27 December 2017 and other relevant information obtained within one year after the acquisition date. Therefore, the consolidated statement of financial position as at 31 December 2017 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended have been restated accordingly.

Identifiable assets acquired and liabilities assumed

	Fair value *(in million Baht)*
Cash and cash equivalents	125
Trade accounts receivable	553
Other current receivables	11
Inventories	340
Other current assets	11
Property, plant and equipment	303
Other intangible assets	512
Short-term borrowings from financial institutions	(379)
Trade accounts payable	(258)
Other payables	(31)
Current portion of long-term borrowings from financial institutions	(7)
Current portion of finance lease liabilities	(4)
Income tax payable	(11)
Other current liabilities	(4)

Identifiable assets acquired and liabilities assumed (Continued)

	Fair value *(in million Baht)*
Long-term borrowings from financial institutions	(25)
Finance lease liabilities	(13)
Provisions for employee benefits	(3)
Deferred tax liabilities	(93)
Net assets	**1,027**
Non-controlling interests of the acquiree (based on their proportionate interest in the recognised amount of the net identifiable assets of the acquiree)	(206)
Goodwill	2,256
Consideration transferred and transferable	**3,077**
Net cash obtained from the acquisition of subsidiaries	125
Cash paid	(2,845)
Net cash outflows as at 31 December 2017	**(2,720)**

The trade receivables comprise gross contractual amounts due of Baht 555 million, of which Baht 2 million was expected to be uncollectible at the acquisition date.

Expenses related to business acquisitions

The Group had expenses related to business acquisitions, which are principally related to legal and due diligence fees, totaling Baht 65 million. The expenses were recorded in the administrative expenses account. The Group recorded a part of the expenses amounting to Baht 17 million in the consolidated statement of income for the year ended 31 December 2016. The remaining expenses amounting to Baht 48 million were recorded in the consolidated statement of income for the year period ended 31 December 2017.

Operations of 4 new subsidiaries after acquisition date

In the preparation of the consolidated statement of income for the year ended 31 December 2017, the Group included the operation results of 4 new subsidiaries for the period from 26 January 2017 to 31 December 2017. Significant details are as follows:

	For the period from 26 January 2017 to 31 December 2017 *(in million Baht)*
Revenue from sale of goods	2,455
Profit for the period attributable to equity holders of the Company	51

If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue from sale of goods and rendering of services of the Group and consolidated profit attributable to equity holders of the Company for the year ended 31 December 2017 would have no materially increased.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the other party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the other party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 12 to the financial statements. Relationship with key management and other related parties were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited	Thailand	Ultimate parent company of the group and 2 common directors
True Corporation Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 4 common directors
C.P. Trading Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
Charoen Pokphand Foods Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
Cineplex Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
Panther Entertainment Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
SM True Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
C.P. Consumer Products Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Land Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Merchandising Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CP-Meiji Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
EGG Digital Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Freewill Solutions Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director

Name of parties	Country of incorporation/ nationality	Nature of relationships
True Leasing Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Lifestyle Retail Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Vietnam Corporation	Vietnam	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
BFKT (Thailand) Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Facility Management Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Charoen Pokphand Seeds Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Chester Food Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CP B&F (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF IT Center Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Real Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Digital and Media Platform Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Internet Corporation Co., Ltd. (formerly "True Universal Convergence Co., Ltd.")	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Internet Data Center Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Move H Universal Communication Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True United Football Club Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Foods Canada Inc.	Canada	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Food Store Co., Ltd.	Thailand	One of the Company's directors is a major shareholder.
Dees Supreme Co., Ltd.	Thailand	One of the Company's directors is a major shareholder.
Key management personnel	Thai	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
Rendering of services and other operating income	Contract prices determined by the terms and conditions used in the normal course of business
Interest income	Source of fund costs plus capital management expenses
Dividend income	Right to receive dividends
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
Insurance premiums	Standard rates as specified by the insurers
Interest expense	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Purchase of leasehold rights and other intangible assets	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 2017 and 2016 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	2017	2016	2017	2016
	(in million Baht)			
Ultimate parent company				
Administrative expenses	27	9	27	9
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	681	627
Interest income	-	-	217	178
Dividend income	-	-	5,473	4,471
Other income	-	-	1,351	1,388
Distribution costs	-	-	1,267	1,284
Administrative expenses	-	-	2,537	2,202
Purchases of goods and services	-	-	20,948	17,868
Purchases of property, plant and equipment and other intangible assets	-	-	2,459	2,843
Other related companies				
Revenue from sale of goods and rendering of services	1,881	1,911	703	788
Other income	1,335	1,943	1,297	1,915
Distribution costs	65	67	-	-
Administrative expenses	708	570	511	406
Purchases of goods and services	40,349	34,728	29,174	27,216
Purchases of property, plant and equipment, leasehold rights and other intangible assets	57	2	-	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	659	633	441	430
Severance pay for employees	13	14	8	8
Total key management benefit expenses	**672**	**647**	**449**	**438**

Balances as at 31 December 2017 and 2016 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Related companies	216	160	-	-
Less allowance for doubtful accounts	-	(2)	-	-
Net	**216**	**158**	**-**	**-**
Bad and doubtful debts expenses for the year	**-**	**-**	**-**	**-**

Other receivables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Current				
Subsidiaries	-	-	614	552
Other related companies	623	335	507	311
Net	**623**	**335**	**1,121**	**863**
Non-current				
Subsidiaries	-	-	134	164
Net	**-**	**-**	**134**	**164**
Bad and doubtful debts expenses for the year	**-**	**-**	**-**	**-**

During the year 2008 the Company paid for the prepaid rental and service fees under the terms of lease and service agreements to a local subsidiary (Panyapiwat Institute of Management) for lease of its building spaces for field consultant conferences, trade shows, franchisee conferences and other activities for a period of 15 years, totaling Baht 450 million and were recorded in the accounts "other current receivables" and "other non-current receivables". The Company amortises the prepaid rental and service fees as an expense according to the terms of the agreements (15 years).

Short-term loans to subsidiaries

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
CPRAM Co., Ltd.	-	-	4,250	4,000
CP Retailink Co., Ltd.	-	-	450	750
Dynamic Management Co., Ltd.	-	-	-	75
Total	**-**	**-**	**4,700**	**4,825**

All short-term loans to subsidiaries of the Company as at 31 December 2017 and 2016 were denominated entirely in Thai Baht.

Movements during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
At 1 January	-	-	4,825	2,900
Increases	-	-	610	1,992
Decreases	-	-	(735)	(67)
At 31 December	**-**	**-**	**4,700**	**4,825**

As at 31 December 2017 the outstanding balance of short-term loans to subsidiaries was unsecured and at call; and the interest rate was fixed at 4.75% per annum. *(2016: 4.75% per annum)*

Investment in related company

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
True GS Co., Ltd.	34	34	34	34
Total	**34**	**34**	**34**	**34**

All investment in related company of the Company as at 31 December 2017 and 2016 was dominated entirely in Thai Baht.

Movements during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
At 1 January	34	24	34	24
Increase	-	10	-	10
At 31 December	**34**	**34**	**34**	**34**

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Subsidiaries	-	-	2,029	1,506
Other related companies	7,797	6,790	5,318	4,878
Net	**7,797**	**6,790**	**7,347**	**6,384**

Other payables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Subsidiaries	-	-	9,699	8,044
Other related companies	132	109	52	30
Net	**132**	**109**	**9,751**	**8,074**

Future minimum lease payments under non-cancellable operating leases

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Within one year	182	51	122	7
After one year but within five years	249	137	119	4
After five years	144	152	-	-
Total	**575**	**340**	**241**	**11**

The Group has lease agreements covering lease of buildings, vehicles and other assets for periods of 1 to 25 years, which will expire between 2018 to 2039.

Significant agreements with related parties

As at 31 December 2017 the Group had the following significant agreements with related parties:

(a) The Company has a service agreement with Charoen Pokphand Group Company Limited, the ultimate parent company, covering technical advisory, management, technical assistances and right to use the trademark and services of the ultimate parent company for a period of 1 year ending in December 2018. In consideration thereof, the Company agreed to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.

(b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.

(c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.

(d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.

(e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 5 years ending in December 2019. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.

(f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2020. In consideration thereof, the subsidiary agreed to pay an annual service fee to the Company at the amount stipulated in the agreement.

(g) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 10.5 million, and placed guarantee deposits with the related company totaling Baht 31.4 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until December 2019.

(h) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. (“the service provider”), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2018. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.

(i) The Company has a service agreement with Siam Makro Public Company Limited, a local subsidiary. Under the terms of the agreement, the Company agrees to grant the right to use certain trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee, calculated as a percentage of its sales, to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.

(j) A local subsidiary, Siam Makro Public Company Limited, has lease and service agreements with CP Retailink Co., Ltd, a local subsidiary (“the party”). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until November 2020.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Cash on hand	13,024	9,321	10,904	7,647
Cash at financial institutions - current accounts	3,448	1,779	2,270	1,531
Cash at financial institutions - savings accounts	9,823	19,758	4,477	14,557
Highly liquid short-term investments	2,584	2,585	-	-
Total	**28,879**	**33,443**	**17,651**	**23,735**

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Cash at financial institutions - time deposits	15	6	-	-
Promissory notes	1,370	1,370	-	-
Total	**1,385**	**1,376**	**-**	**-**

Movements during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
At 1 January	1,376	1,402	-	-
Increases	2,031	2,757	-	-
Decreases	(2,021)	(2,783)	-	-
Exchange differences on translating financial statement	(1)	-	-	-
At 31 December	**1,385**	**1,376**	**-**	**-**

Current investments have interest rates ranging from 1.25% to 3.80% per annum *(2016: ranging from 0.40% to 2.25% per annum)*.

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Related parties	5	216	160	-	-
Other parties		1,412	887	124	135
Total		**1,628**	**1,047**	**124**	**135**
Less allowance for doubtful accounts		(27)	(21)	-	-
Net		**1,601**	**1,026**	**124**	**135**
Bad and doubtful debts expense for the year		**10**	**1**	**-**	**-**

Aging analyses for trade accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Related parties					
Within credit terms		166	107	-	-
Overdue:					
Less than 3 months		46	37	-	-
3 - 6 months		3	9	-	-
6 - 12 months		1	7	-	-
Total		**216**	**160**	**-**	**-**
Less allowance for doubtful accounts		-	(2)	-	-
Net	5	**216**	**158**	**-**	**-**
Other parties					
Within credit terms		1,039	711	124	135
Overdue:					
Less than 3 months		305	152	-	-
3 - 6 months		20	6	-	-
6 - 12 months		29	7	-	-
Over 12 months		19	11	-	-
Total		**1,412**	**887**	**124**	**135**
Less allowance for doubtful accounts		(27)	(19)	-	-
Net		**1,385**	**868**	**124**	**135**
Grand total		**1,601**	**1,026**	**124**	**135**

The normal credit term granted by the Group ranges from 7 days to 90 days.

9 Other receivables

	Note	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
		(in million Baht)			
Related parties	5	**623**	**335**	**1,255**	**1,027**
Other parties					
Accrued income		3,055	3,010	1,292	1,328
Prepaid expenses		2,014	2,109	1,212	1,204
Other receivables		1,702	1,985	1,577	1,764
Receivable from Revenue Department		558	477	421	395
Other		184	272	11	22
		7,513	**7,853**	**4,513**	**4,713**
Total		**8,136**	**8,188**	**5,768**	**5,740**
Less allowance for doubtful accounts		(26)	(25)	(9)	(9)
Net		**8,110**	**8,163**	**5,759**	**5,731**
Current		6,712	6,633	4,642	4,673
Non-current		1,398	1,530	1,117	1,058
Total		**8,110**	**8,163**	**5,759**	**5,731**
Bad and doubtful debts expense for the year		**8**	**11**	**7**	**5**

The normal credit term granted by the Group ranges from 7 days to 90 days.

10 Inventories

	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
	(in million Baht)			
Finished goods	26,755	26,418	13,123	12,201
Work in progress	106	114	-	-
Raw materials	448	383	-	-
Goods in transit	764	518	-	-
Total	**28,073**	**27,433**	**13,123**	**12,201**
Less allowance for losses on decline in value of inventories	(697)	(728)	(399)	(432)
Net	**27,376**	**26,705**	**12,724**	**11,769**

The cost of inventories which is recognised as an expense and presented as part of the account "Cost of sale of goods and rendering of services" consisted of:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Cost of sale of goods and rendering of services				
Cost of inventories	363,292	336,863	200,549	183,874
Reversal of allowance for losses on decline in value of inventories	(31)	(61)	(33)	(24)
Total	**363,261**	**336,802**	**200,516**	**183,850**

The cost of inventories which is recognised as an expense and presented as part of the account "Distribution costs" in the statements of income for the year ended 31 December 2017 amounted to Baht 2,253 million *(2016: Baht 2,097 million)* in the consolidated financial statements, and Baht 2,251 million *(2016: Baht 2,088 million)* in the separate financial statements.

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Cash card	318	563	318	563
Office supplies	54	38	43	38
Leasehold rights	122	115	19	22
Other	127	-	-	-
Total	**621**	**716**	**380**	**623**

12 Investments in subsidiaries

Movements during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
At 1 January	-	-	205,537	202,600
Increases	-	-	1,296	2,937
At 31 December	**-**	**-**	**206,833**	**205,537**

Details of the additional investments during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Lotus Distribution Investment Limited	-	-	1,259	2,907
All Corporation Co., Ltd.	-	-	37	-
Counter Service Co., Ltd.	-	-	-	30
Total	**-**	**-**	**1,296**	**2,937**

Additional investments during the year

During the first quarter of 2016, a foreign subsidiary, Lotus Distribution Investment Limited, collected from the called for additional paid-up share capital of United States Dollars 80 million; from United States Dollars 126 million to United States Dollars 206 million and during the fourth quarter of 2017, the subsidiary collected from the called for additional paid-up share capital of United States Dollars 38 million; from United States Dollars 206 million to United States Dollars 244 million.

During the fourth quarter of 2016, a local subsidiary, Counter Service Co., Ltd., collected from the called for additional paid-up share capital Baht 30 million; from Baht 70 million to Baht 100 million.

During the third quarter of 2017, a local subsidiary, All Corporation Co., Ltd., collected from the called for additional paid-up share capital Baht 37 million; from Baht 13 million to Baht 50 million.

Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of incorporation	Separate financial statements							
			Ownership interests		Paid-up capital		At cost		Dividend income	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)				(in million Baht)			
Local direct subsidiaries										
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	-	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd	Bill payment Services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	100	100	91	91	868	714
All Corporation Limited	Holding company	Thailand	99.99	99.99	50	13	50	13	-	-
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	-	105
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	-	20
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	150	20

Separate financial statement *(Continued)*

Name of parties	Type of business	Country of incorporation	Ownership interests		Paid-up capital		At cost		Dividend income	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)				*(in million Baht)*			
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	1,159	989
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	-	-
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	220	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	10	5
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	120	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	1,114	951
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	2,400	82,427	82,427	1,832	1,667
Total							**198,448**	**198,411**	**5,473**	**4,471**

Name of parties	Type of business	Country of incorporation	Separate financial statements *(Continued)*							
			Ownership interests		Paid-up capital		At cost		Dividend income	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)		*(in million United States Dollars)*		*(in million Baht)*			
Foreign direct subsidiaries										
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	244	206	8,385	7,126	-	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	-*	-*	-*	-*	-	-
Total							**8,385**	**7,126**	**-**	**-**
Grand total							**206,833**	**205,537**	**5,473**	**4,471**

** As at 31 December 2017 Albuera International Limited ("Albuera") had paid-up capital amounting to United States Dollars 1 and the Company invested in Albuera amounting to United States Dollars 1.*

Details of the Company's indirect subsidiaries as at 31 December 2017 and 2016 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests 2017	Ownership interests 2016
			(%)	
Local indirect subsidiaries				
CP Foodlab Co., Ltd.	Research and development service, and microbiologic and scientific laboratory services	Thailand	99.99	99.99
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Institute of Management Demonstration School	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Makro ROH Co., Ltd.	Providing technical and supporting services to the Group	Thailand	97.88	97.88
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and providing freight, delivery rental and storage services	Thailand	97.88	97.88
ProMart Co., Ltd.	Trading of non-food products	Thailand	97.88	97.88
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99

Name of parties	Type of business	Country of incorporation	Ownership interests 2017	2016
			(%)	
Foreign indirect subsidiaries				
Nanjing Tech University Pujiang Institute	Educational institution	The People's Republic of China	100.00	100.00
Nanjing Tech University Pujiang Institute Educational Development Fund	Educational development fund	The People's Republic of China	100.00	100.00
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding of educational institution	The People's Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People's Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People's Republic of China	100.00	100.00
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100.00	100.00
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	97.88	97.88
Indoguna Vina Food Service Company Limited (formerly "Vina Siam Food Co., Ltd.")	Trading and distribution, and import and export food products	Vietnam	97.88	97.88
CP Wholesale India Private Limited	Wholesale and related business	India	97.87	-
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related business	The People's Republic of China	97.87	-
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	78.30	-

Name of parties	Type of business	Country of incorporation	Ownership interests 2017	2016
			(%)	
Foreign indirect subsidiaries (Continued)				
Indoguna Dubai L.L.C*	Importing and trading of food related products	United Arab Emirates	78.30	-
Indoguna Lordly Company Limited (formerly "Lordly Company Limited")	Importing and trading of food related products	Hong Kong Special Administrative Region of the People's Republic of China	78.30	-
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People's Republic of China	78.30	-
MAXZI THE GOOD FOOD RESTAURANT & CAFÉ L.L.C*	Restaurant and minimart	United Arab Emirates	78.30	-
Indoguna (Cambodia) Company Limited	Importing and trading of food related products	Cambodia	68.52	-
Makro (Cambodia) Company Limited	Wholesale and retail operator and related business	Cambodia	68.52	68.52

* The Group interest is 78.30% after taking account of nominee holdings.

13 Non-controlling interests

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

	31 December 2017				
	Siam Makro Public Company Limited	**Thai Smart Card Co., Ltd.**	**Intra-group eliminations**	**Fair value adjustment**	**Total**
			(in million Baht)		
Non-controlling interests percentage	2.12	27.36			
Current assets	20,413	2,194			
Non-current assets	38,563	231			
Current liabilities	(37,118)	(947)			
Non-current liabilities	(3,847)	(22)			
Net assets	**18,011**	**1,456**			
Carrying amount of non-controlling interests	871*	398	-	3,627	**4,896**
Revenue	186,754	311			
Profit	6,147	49			
Other comprehensive income	(93)	(1)			
Total comprehensive income	**6,054**	**48**			
Profit allocated to non-controlling interests	100*	13	4	(6)	**111**
Other comprehensive income allocated to non-controlling interests	(19)*	-	-	-	**(19)**
Cash flows from operating activities	11,928	65			
Cash flows from investing activities	(6,467)	(66)			
Cash flows from financing activities	(3,559)	-			
Dividends paid to non-controlling interests	(91)	-			
Net increase (decrease) in cash and cash equivalents	**1,811**	**(1)**			

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

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	31 December 2016				
	Siam Makro Public Company Limited	**Thai Smart Card Co., Ltd.**	**Intra-group eliminations**	**Fair value adjustment**	**Total**
			(in million Baht)		
Non-controlling interests percentage	2.12	27.36			
Current assets	18,529	2,194			
Non-current assets	34,331	209			
Current liabilities	(33,705)	(977)			
Non-current liabilities	(3,413)	(18)			
Net assets	**15,742**	**1,408**			
Carrying amount of non-controlling interests	355*	385	(4)	3,671	**4,407**
Revenue	172,790	415			
Profit	5,412	122			
Other comprehensive income	(10)	-			
Total comprehensive income	**5,402**	**122**			
Profit allocated to non-controlling interests	114*	33	2	(6)	**143**
Other comprehensive income allocated to non-controlling interests	-*	-	-	-	**-**
Cash flows from operating activities	9,071	173			
Cash flows from investing activities	(5,544)	(60)			
Cash flows from financing activities	(3,124)	-			
Dividends paid to non-controlling interests	(82)	-			
Net increase in cash and cash equivalents	**321**	**113**			

14 Property, plant and equipment

	Note	Consolidated financial statements						
		Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Cost								
At 1 January 2016		40,145	36,045	28,413	14,293	6,257	5,484	130,637
Additions		936	1,051	3,041	3,149	9,297	276	17,750
Transfers		5	4,723	2,254	320	(7,959)	657	-
Disposals		-	(219)	(600)	(846)	(143)	(70)	(1,878)
Exchange differences on translating financial statement		-	(18)	(7)	(10)	(200)	(3)	(238)
At 31 December 2016 and 1 January 2017		**41,086**	**41,582**	**33,101**	**16,906**	**7,252**	**6,344**	**146,271**
Additions		685	327	3,087	2,346	9,353	281	16,079
Acquisition through business combination	*4*	-	176	88	4	-	35	303
Transfers		-	7,475	2,670	169	(11,238)	947	23
Disposals		-	(492)	(950)	(1,852)	-	(105)	(3,399)
Exchange differences on translating financial statement		-	(21)	(8)	(4)	(91)	(3)	(127)
At 31 December 2017		**41,771**	**49,047**	**37,988**	**17,569**	**5,276**	**7,499**	**159,150**

	Note	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Consolidated financial statements *(Continued)*								
Accumulated depreciation and accumulated impairment losses								
At 1 January 2016		-	(12,667)	(16,508)	(8,863)	(2)	(3,150)	(41,190)
Depreciation charge for the year		-	(2,068)	(3,234)	(1,691)	-	(539)	(7,532)
Disposals		-	159	578	763	-	65	1,565
Exchange differences on translating financial statement		-	3	1	1	-	1	6
Reversal of impairment losses		-	1	4	2	-	-	7
At 31 December 2016 and 1 January 2017		**-**	**(14,572)**	**(19,159)**	**(9,788)**	**(2)**	**(3,623)**	**(47,144)**
Depreciation charge for the year		-	(2,259)	(3,706)	(2,113)	-	(666)	(8,744)
Transfers		-	2	-	-	-	-	2
Impairment losses		-	(3)	(1)	-	-	-	(4)
Disposals		-	381	908	1,736	-	98	3,123
Exchange differences on translating financial statement		-	4	3	2	-	2	11
At 31 December 2017		**-**	**(16,447)**	**(21,955)**	**(10,163)**	**(2)**	**(4,189)**	**(52,756)**
Net book value								
At 1 January 2016		**40,145**	**23,378**	**11,905**	**5,430**	**6,255**	**2,334**	**89,447**
At 31 December 2016 and 1 January 2017		**41,086**	**27,010**	**13,942**	**7,118**	**7,250**	**2,721**	**99,127**
At 31 December 2017		**41,771**	**32,600**	**16,033**	**7,406**	**5,274**	**3,310**	**106,394**

	Separate financial statements						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
				(in million Baht)			
Cost							
At 1 January 2016	2,620	16,345	10,309	12,227	836	4,764	47,101
Additions	34	548	1,770	2,669	2,727	263	8,011
Transfers	-	1,819	37	94	(2,339)	389	-
Disposals	-	(108)	(399)	(733)	-	(50)	(1,290)
At 31 December 2016 and 1 January 2017	**2,654**	**18,604**	**11,717**	**14,257**	**1,224**	**5,366**	**53,822**
Additions	431	73	1,913	2,116	3,470	190	8,193
Transfers	-	2,872	114	66	(3,764)	737	25
Disposals	-	(432)	(470)	(1,543)	-	(96)	(2,541)
At 31 December 2017	**3,085**	**21,117**	**13,274**	**14,896**	**930**	**6,197**	**59,499**
Accumulated depreciation and accumulated impairment losses							
At 1 January 2016	-	(6,545)	(6,880)	(8,449)	-	(2,786)	(24,660)
Depreciation charge for the year	-	(1,355)	(1,340)	(1,539)	-	(462)	(4,696)
Disposals	-	79	390	656	-	48	1,173
At 31 December 2016 and 1 January 2017	**-**	**(7,821)**	**(7,830)**	**(9,332)**	**-**	**(3,200)**	**(28,183)**
Depreciation charge for the year	-	(1,413)	(1,510)	(1,872)	-	(555)	(5,350)
Disposals	-	334	456	1,448	-	90	2,328
At 31 December 2017	**-**	**(8,900)**	**(8,884)**	**(9,756)**	**-**	**(3,665)**	**(31,205)**
Net book value							
At 1 January 2016	**2,620**	**9,800**	**3,429**	**3,778**	**836**	**1,978**	**22,441**
At 31 December 2016 and 1 January 2017	**2,654**	**10,783**	**3,887**	**4,925**	**1,224**	**2,166**	**25,639**
At 31 December 2017	**3,085**	**12,217**	**4,390**	**5,140**	**930**	**2,532**	**28,294**

As at 31 December 2017 the Group had assets under finance leases with a net book value amounting to Baht 735 million *(2016: Baht 789 million.)*

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 2017 amounted to Baht 22,652 million *(2016: Baht 20,711 million)* in the consolidated financial statements and Baht 14,014 million *(2016: Baht 12,658 million)* in the separate financial statements respectively.

Security

As at 31 December 2017, the Group's plant and equipment with total net book value of Baht 196 million *(2016: nil)* were pledged under short-term and long-term borrowings from financial institutions.

15 Goodwill

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Cost					
At 1 January		126,072	126,072	-	-
Acquisition through business combination	*4*	2,256	-	-	-
At 31 December		**128,328**	**126,072**	**-**	**-**
Accumulated impairment losses					
At 1 January		-	-	-	-
Impairment losses		-	-	-	-
At 31 December		**-**	**-**	**-**	**-**
Net book value					
At 1 January		**126,072**	**126,072**	**-**	**-**
At 31 December		**128,328**	**126,072**	**-**	**-**

Most of the Goodwill arose from the Company's purchase of shares of Siam Makro Public Company Limited both directly and indirectly.

During the year 2017, Goodwill arose from the subsidiary'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 (formerly "Lordly Company Limited") (See note 4 to the financial statements).

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

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the 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 rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of 10-year government bond, market risk premium and average industry beta.

Terminal value growth rate

Terminal value growth rate was determined based on average gross domestic product ("GDP") growth rate, inflation rate and growth rates of historical earnings before interest, income tax, depreciation and amortisation ("EBITDA") of Siam Makro Public Company Limited, and of the 4 new subsidiaries.

Budgeted EBITDA

Budgeted EBITDA was based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected from past experience and estimated number of new stores, sale growth of new stores and sale growth of same stores of Siam Makro Public Company Limited. The 4 new subsidiaries would develop and maintain their customer satisfaction by rendering high quality products, new product development, and maintenance customer relationship.

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

16 Other intangible assets

		Consolidated financial statements			
	Note	Computer software in use and under development	Intellectual property	Other	Total
			(in million Baht)		
Cost					
At 1 January 2016		3,684	46,072	2,282	52,038
Additions		714	-	-	714
Disposals		(2)	-	-	(2)
Exchange differences on translating financial statement		(2)	-	(81)	(83)
At 31 December 2016 and 1 January 2017		**4,394**	**46,072**	**2,201**	**52,667**
Additions		1,054	-	-	1,054
Transfers		(25)	-	-	(25)
Acquisition through business combination	*4*	4	449	59	512
Disposals		(50)	-	-	(50)
Exchange differences on translating financial statement		(3)	-	(28)	(31)
At 31 December 2017		**5,374**	**46,521**	**2,232**	**54,127**

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	Note	Consolidated financial statements: Computer software in use and under development	Intellectual property	Other	Total
		(in million Baht)			
Accumulated amortisation and accumulated impairment losses					
At 1 January 2016		(1,472)	-	(409)	(1,881)
Amortisation charge for the year		(347)	-	(163)	(510)
At 31 December 2016 and 1 January 2017		**(1,819)**	**-**	**(572)**	**(2,391)**
Amortisation charge for the year		(366)	-	(167)	(533)
Impairment losses		(3)	-	-	(3)
Disposals		48	-	-	48
Exchange differences on translating financial statement		1	-	-	1
At 31 December 2017		**(2,139)**	**-**	**(739)**	**(2,878)**
Net book value					
At 1 January 2016		**2,212**	**46,072**	**1,873**	**50,157**
At 31 December 2016 and 1 January 2017		**2,575**	**46,072**	**1,629**	**50,276**
At 31 December 2017		**3,235**	**46,521**	**1,493**	**51,249**

	Separate Financial statements: Computer software in use and under development
	(in million Baht)
Cost	
At 1 January 2016	1,741
Additions	384
At 31 December 2016 and 1 January 2017	**2,125**
Additions	452
Transfers	(25)
Disposals	(41)
At 31 December 2017	**2,511**
Accumulated amortisation	
At 1 January 2016	(870)
Amortisation charge for the year	(170)
At 31 December 2016 and 1 January 2017	**(1,040)**
Amortisation charge for the year	(183)
Disposals	41
At 31 December 2017	**(1,182)**

	Separate Financial statements Computer software in use and under development *(in million Baht)*
Net book value	
At 1 January 2016	**871**
At 31 December 2016 and 1 January 2017	**1,085**
At 31 December 2017	**1,329**

The gross amount of the Group's and the Company's fully amortised other intangible assets that were still in use as at 31 December 2017 amounted to Baht 1,454 million *(2016: Baht 1,304 million)* in the consolidated financial statements and Baht 1,048 million *(2016: Baht 928 million)* in the separate financial statements respectively.

Security

As at 31 December 2017, the Group's other intangible assets with total net book value of Baht 12 million *(2016: nil)* were pledged under short-term and long-term borrowings from financial institutions.

17 Deferred income tax

Deferred tax assets and liabilities as at 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Deferred tax assets	915	838	428	397
Deferred tax liabilities	(15,170)	(15,154)	-	-
Net	**(14,255)**	**(14,316)**	**428**	**397**

Movements in deferred tax assets and liabilities during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements				
		(Charged)/ credited to			
	At 1 January 2017	profit or loss	other comprehensive income *(Note 34)*	Acquisition through business combination *(Note 4)*	**At 31 December 2017**
			(in million Baht)		
Deferred tax assets (liabilities)					
Trade accounts receivable and other receivables	7	1	-	-	8
Inventories	233	(36)	-	-	197
Property, plant and equipment	53	13	-	-	66
Provisions for employee benefits	461	47	10	-	518
Tax losses	15	(15)	-	-	-
Fair value adjustment assets acquired through business combinations	(15,154)	77	-	(93)	(15,170)
Other	69	57	-	-	126
Total	**(14,316)**	**144**	**10**	**(93)**	**(14,255)**

	Consolidated financial statements			
		(Charged)/ credited to		
	At 1 January 2016	profit or loss	other comprehensive income	**At 31 December 2016**
		(Note 34)		
		(in million Baht)		
Deferred tax assets (liabilities)				
Trade accounts receivable and other receivables	5	2	-	7
Inventories	221	12	-	233
Property, plant and equipment	67	(14)	-	53
Provisions for employee benefits	383	48	30	461
Tax losses	-	15	-	15
Fair value adjustment assets acquired through business combinations	(15,229)	75	-	(15,154)
Other	55	14	-	69
Total	**(14,498)**	**152**	**30**	**(14,316)**

	Separate financial statements			
		(Charged)/ credited to		
	At 1 January 2017	profit or loss	other comprehensive income	At 31 December 2017
		(Note 34)		
		(in million Baht)		
Deferred tax assets				
Other receivables	2	-	-	2
Inventories	86	(6)	-	80
Property, plant and equipment	24	-	-	24
Provisions for employee benefits	279	24	4	307
Other	6	9	-	15
Total	**397**	**27**	**4**	**428**

	Separate financial statements			
		(Charged)/ credited to		
	At 1 January 2016	profit or loss	other comprehensive income	At 31 December 2016
		(Note 34)		
		(in million Baht)		
Deferred tax assets				
Other receivables	2	-	-	2
Inventories	91	(5)	-	86
Property, plant and equipment	24	-	-	24
Provisions for employee benefits	229	27	23	279
Other	-	6	-	6
Total	**346**	**28**	**23**	**397**

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Guarantee deposits	922	820	1,103	1,008
Other	76	28	-	2
Total	**998**	**848**	**1,103**	**1,010**

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Current				
Short-term borrowings from financial institutions				
Promissory notes - unsecured	3,560	3,080	-	-
Liabilities under trust receipts - secured	269	-	-	-
Liabilities under trust receipts - unsecured	428	325	-	-
Short-term borrowings - unsecured	69	111	-	-
Total	**4,326**	**3,516**	**-**	**-**
Current portion of debentures	14,747	25,937	14,747	25,937
Total	**14,747**	**25,937**	**14,747**	**25,937**
Current portion of long-term borrowings from financial institutions - secured	31	-	-	-
Current portion of long-term borrowings from financial institutions - unsecured	2,000	2,000	-	-
Total	**2,031**	**2,000**	**-**	**-**
Current portion of finance lease liabilities	118	101	-	-
Total	**118**	**101**	**-**	**-**
Total current	**21,222**	**31,554**	**14,747**	**25,937**
Non-current				
Debentures	140,878	154,222	140,878	154,222
Long-term borrowings from financial institutions - secured	2,250	585	-	-
Long-term borrowings from financial institutions - unsecured	2,000	2,000	-	-
Finance lease liabilities	688	745	-	-
Total non-current	**145,816**	**157,552**	**140,878**	**154,222**
Grand total	**167,038**	**189,106**	**155,625**	**180,159**

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Within one year	21,104	31,453	14,747	25,937
After one year but within five years	64,881	84,418	61,786	82,418
After five years	80,247	72,389	79,092	71,804
Total	**166,232**	**188,260**	**155,625**	**180,159**

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2017 and 2016 were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
At 1 January		3,516	11,881	-	9,000
Increases (decreases)		435	(8,367)	-	(9,000)
Acquisition through business combination	*4*	379	-	-	-
Unrealised (gain) loss on exchange rates from translation of outstanding foreign borrowings balance to Thai Baht		(4)	2	-	
At 31 December		**4,326**	**3,516**	**-**	**-**

Debentures

Movements during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
At 1 January	180,159	173,000	180,159	173,000
Increases	25,500	19,000	25,500	19,000
Decreases	(50,034)	(11,841)	(50,034)	(11,841)
At 31 December	**155,625**	**180,159**	**155,625**	**180,159**

Debentures 1/2013

On 31 October 2013 the Company issued Baht 50,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 11,841 million, fully paid on 31 October 2016 and bearing interest at the fixed rate of 4.10% per annum

- Debentures term of 5 years of Baht 12,247 million, fully repayable on 31 October 2018 and bearing interest at the fixed rate of 4.70% per annum

- Debentures term of 7 years of Baht 10,790 million, fully repayable on 31 October 2020 and bearing interest at the fixed rate of 5.10% per annum

- Debentures term of 10 years of Baht 15,122 million, fully repayable on 31 October 2023 and bearing interest at the fixed rate of 5.35% per annum

These series of debentures have a credit rating of "A(tha)" latest updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013.

Debentures 1/2014

On 27 March 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 3,736 million, fully paid on 27 March 2017 and bearing interest at the fixed rate of 3.70% per annum

- Debentures term of 5 years of Baht 11,066 million, fully repayable on 27 March 2019 and bearing interest at the fixed rate of 4.30% per annum

- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021and bearing interest at the fixed rate of 4.85% per annum

- Debentures term of 10 years of Baht 15,314 million, fully repayable on 27 March 2024 and bearing interest at the fixed rate of 5.14% per annum

These series of debentures have a credit rating of "A(tha)" latest updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014.

Debentures 2/2014

On 22 August 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 6,351 million, fully paid on 22 August 2017 and bearing interest at the fixed rate of 3.71% per annum

- Debentures term of 5 years of Baht 9,478 million, fully repayable on 22 August 2019 and bearing interest at the fixed rate of 4.25% per annum (On 17 November 2017, debentures of Baht 3,451 million are early redeemed and paid.)

- Debentures term of 7 years of Baht 7,520 million, fully repayable on 22 August 2021 and bearing interest at the fixed rate of 4.75% per annum (On 17 November 2017, debentures of Baht 4,284 million are early redeemed and paid.)

- Debentures term of 10 years of Baht 16,651 million, fully repayable on 22 August 2024 and bearing interest at the fixed rate of 5.05% per annum (On 22 August 2017, debentures of Baht 6,212 million are early redeemed and paid.)

These series of debentures have a credit rating of "A(tha)" latest updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 22 August 2014.

Debentures 3/2014

On 26 December 2014 the Company issued Baht 10,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 6,000 million, fully paid on 26 December 2017 and bearing interest at the fixed rate of 3.45% per annum

- Debentures term of 12 years of Baht 4,000 million, fully repayable on 26 December 2026 and bearing interest at the fixed rate of 4.80% per annum

These series of debentures have a credit rating of "A(tha)" latest updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 December 2014.

Debentures 1/2015

On 20 March 2015 the Company issued Baht 20,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 2 years of Baht 9,850 million, fully paid on 20 March 2017 and bearing interest at the fixed rate of 3.55% per annum

- Debentures term of 5 years of Baht 10,150 million, fully repayable on 20 March 2020 and bearing interest at the fixed rate of 4.10% per annum (On 30 November 2017, debentures of Baht 10,150 million are early redeemed and paid.)

These series of debentures have a credit rating of "A-(tha)" latest updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 20 March 2015.

Debentures 2/2015

On 30 June 2015 the Company issued Baht 13,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 2,500 million, fully repayable on 30 June 2018 and bearing interest at the fixed rate of 2.98% per annum

- Debentures term of 5 years of Baht 1,500 million, fully repayable on 30 June 2020 and bearing interest at the fixed rate of 3.65% per annum

- Debentures term of 7 years of Baht 3,000 million, fully repayable on 30 June 2022 and bearing interest at the fixed rate of 4.10% per annum

- Debentures term of 10 years of Baht 6,000 million, fully repayable on 30 June 2025 and bearing interest at the fixed rate of 4.45% per annum

These series of debentures have a credit rating of "A-(tha)" latest updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 30 June 2015.

Debentures 1/2016

On 18 March 2016 the Company issued Baht 7,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings, divided into:

- Debentures term of 5 years of Baht 1,382 million, fully repayable on 18 March 2021 and bearing interest at the fixed rate of 2.95% per annum

- Debentures term of 7 years of Baht 937 million, fully repayable on 18 March 2023 and bearing interest at the fixed rate of 3.40% per annum

- Debentures term of 10 years of Baht 2,074 million, fully repayable on 18 March 2026 and bearing interest at the fixed rate of 4.00% per annum

- Debentures term of 12 years of Baht 2,607 million, fully repayable on 18 March 2028 and bearing interest at the fixed rate of 4.15% per annum

These series of debentures have a credit rating of "A-(tha)" updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 March 2016.

Debentures 2/2016

On 26 August 2016 the Company issued Baht 12,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings, divided into:

- Debentures term of 3 years of Baht 5,901 million, fully repayable on 26 August 2019 and bearing interest at the fixed rate of 2.49% per annum

- Debentures term of 7 years of Baht 500 million, fully repayable on 26 August 2023 and bearing interest at the fixed rate of 3.25% per annum

- Debentures term of 10 years of Baht 748 million, fully repayable on 26 August 2026 and bearing interest at the fixed rate of 3.68% per annum

- Debentures term of 12 years of Baht 4,851 million, fully repayable on 26 August 2028 and bearing interest at the fixed rate of 4.00% per annum

These series of debentures have a credit rating of "A-(tha)" updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 August 2016.

Debentures 1/2017

On 27 March 2017 the Company issued Baht 4,500 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. Debentures were with term of 12 years and fully repayable on 27 March 2029, which bear interest at the fixed rate of 4.70% per annum.

These debentures have a credit rating of "A-(tha)" updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2017

Debentures 2/2017

On 18 August 2017 the Company issued Baht 3,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures. Debentures were with term of 10 years and fully repayable on 18 August 2027, which bear interest at the fixed rate of 3.96% per annum.

These debentures have a credit rating of "A-(tha)" updated by Fitch Ratings (Thailand) Limited on 20 November 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 August 2017

Debentures 3/2017

On 15 November 2017 and 30 November 2017 the Company issued Baht 18,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to early redemption of debentures, divided into:

- Debentures term of 5 years of Baht 9,000 million, fully repayable on 30 November 2022 and bearing interest at the fixed rate of 3.10% per annum

- Debentures term of 10 years of Baht 9,000 million, fully repayable on 15 November 2027 and bearing interest at the fixed rate of 3.50% per annum

These series of debentures have a credit rating of "A(tha)" updated by TRIS Ratings (Thailand) Limited on 25 October 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 15 November 2017 and 30 November 2017.

The Company must comply with the specific covenants such as to maintain net debt to equity ratio in the annual consolidated financial statements through the terms of debentures, and to pledge Siam Makro Public Company Limited shares, etc.

Siam Makro Public Company Limited shares as at 31 December 2017, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 2,516 million shares. The fair value of those shares totaled Baht 97,501 million.

Long-term borrowings from financial institutions

Movement during the years ended 31 December 2017 and 2016 were as follows:

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Note	*(in million Baht)*			
At 1 January		4,585	4,000	-	-
Increases		1,821	577	-	-
Acquisition through business combination	*4*	32	-	-	-
Exchange differences on translating financial statement		(157)	8	-	-
At 31 December		**6,281**	**4,585**	**-**	**-**

As at 31 December 2017 the Group had unsecured long-term borrowings agreements with a local branch of a foreign financial institution and a local financial institution, and had secured long-term borrowings agreements with foreign financial institutions. Details are as follows:

Borrowing agreement	Approved credit facilities	Interest rate *(% per annum)*	Term of payment
The first agreement	Singapore Dollars 1.5 million	Floating interest rate as stipulated in the agreement	Monthly installment due to August 2023
The second agreement	Singapore Dollars 1.6 million	Floating interest rate as stipulated in the agreement	Monthly installment due to September 2020
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in October 2018
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2018
The fifth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The sixth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022

Borrowing agreement	Approved credit facilities	Interest rate *(% per annum)*	Term of payment
The seventh agreement	China Renminbi 450 million (or equivalent to approximately Baht 2,257 million)	Floating interest rate as stipulated in the agreement	Semi-annually installment due to May 2026

In this regard, certain foreign subsidiaries issued the letters of guarantee for the seventh long-term borrowing agreement. In the year 2017, the foreign subsidiary had fully drawn down the long-term borrowings.

The Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio, total debts to total assets ratio and the shareholdings of the Company in a local subsidiary as stipulated in the agreements, etc.

Finance lease liabilities

Details of finance lease liabilities as at 31 December 2017 and 2016 were as follows:

	Consolidated financial statements					
	2017			2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in million Baht)					
Within one year	180	(62)	118	167	(66)	101
After one year but within five years	515	(162)	353	534	(179)	355
After five years	419	(84)	335	498	(108)	390
Total	**1,114**	**(308)**	**806**	**1,199**	**(353)**	**846**

As at 31 December 2017 the Group entered into finance lease contracts. Under the terms of the contracts, the Group must comply with certain conditions as stipulated in the agreements.

Unutilised credit facilities

As at 31 December 2017 the Group had unutilised credit facilities totaling Baht 902 million and Singapore Dollars 1 million *(2016: Baht 932 million)*.

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Related parties	5	7,797	6,790	7,347	6,384
Other parties		66,945	60,169	30,989	27,237
Total		**74,742**	**66,959**	**38,336**	**33,621**

21 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Related parties	5	**132**	**109**	**9,751**	**8,074**
Other parties					
Other payables		3,164	2,935	989	844
Accrued personnel expenses		2,639	2,164	1,336	1,433
Accrued royalties and other accrued expenses		2,382	2,073	657	692
Deferred royalties and other deferred income		2,012	1,646	1,148	1,243
Accrued interest expenses		1,537	1,942	1,508	1,924
Accrued utilities expenses		765	676	523	496
Accrued advertising and sale promotion expenses		598	691	478	538
Accrued rental fees		90	114	87	113
Other		760	879	371	268
		13,947	**13,120**	**7,097**	**7,551**
Total		**14,079**	**13,229**	**16,848**	**15,625**

22 Provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
As at 31 December				
Statement of financial position				
Provisions for:				
Defined benefit plans	2,787	2,522	1,538	1,396
Total	**2,787**	**2,522**	**1,538**	**1,396**
For the year ended 31 December				
Statement of income				
Recognised in profit or loss:				
Defined benefit plans	292	266	148	137
Total	**292**	**266**	**148**	**137**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Statement of comprehensive income				
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	51	172	19	114
Total	**51**	**172**	**19**	**114**

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

Pension fund benefit

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

Severance benefit

Under Thai Labour Protection Act B.E 2541 (1998) and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of the final salary.

Additional benefit related to provident fund

A local subsidiary operates an employee benefit scheme under which employees who are members of the Company's provident fund, being a defined contribution plan, for at least 9 years are entitled to receive additional contribution from the subsidiary on their resignation or retirement from employment. Employees, who are a member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the subsidiary on their behalf.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk and turnover rate risk.

Movements in the present value of the defined benefit obligations are detailed as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
At 1 January		2,522	2,099	1,396	1,150
Included in profit or loss:					
Current service costs		227	195	110	96
Interest on obligation		65	71	38	41

	Note	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
		(in million Baht)			
Included in other comprehensive income:					
Defined benefit plan actuarial losses		51	172	19	114
Other					
Benefits paid by the plan		(82)	(16)	(29)	(6)
Transfer in provisions for employee benefits from subsidiaries and related companies		1	1	4	1
Acquisition through business combination	*4*	3	-	-	-
At 31 December		**2,787**	**2,522**	**1,538**	**1,396**

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
	(in million Baht)			
Demographic assumptions and financial assumptions	(61)	97	(35)	78
Experience adjustments	112	75	54	36
Total	**51**	**172**	**19**	**114**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
		(%)		
Discount rate	2.60 - 3.09	2.20 - 2.72	3.09	2.72
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	4.0 - 10.0	4.0 - 8.0	6.0 - 10.0	6.0 - 8.0
Turnover rate	1.0 - 50.0	1.0 - 50.0	1.0 - 20.0	1.0 - 20.0

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

At 31 December 2017, the weighted-average duration of the defined benefit obligations were 10 to 17 years *(2016: 10 to 18 years)*.

Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	(in million Baht)			
At 31 December 2017				
Discount rate (1% movement)	(242)	282	(141)	165
Future salary growth (1% movement)	260	(229)	158	(138)
Turnover rate (1% movement)	(228)	248	(142)	165
At 31 December 2016				
Discount rate (1% movement)	(224)	262	(132)	155
Future salary growth (1% movement)	241	(211)	148	(129)
Turnover rate (1% movement)	(211)	230	(132)	155

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

23 Accrued guarantee deposits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Guarantee deposits payable to franchisees	3,560	3,297	3,458	3,220
Other accrued guarantee deposits	33	45	-	-
Total	**3,593**	**3,342**	**3,458**	**3,220**

24 Share capital

		Consolidated financial statements/ Separate financial statements			
		2017		2016	
	Par value per share (in Baht)	Number of shares	Baht	Number of shares	Baht
		(in million)			
Authorised					
At 1 January					
- ordinary shares	1	8,986	8,986	8,986	8,986
At 31 December					
- ordinary shares	1	**8,986**	**8,986**	**8,986**	**8,986**
Issued and paid-up					
At 1 January					
- ordinary shares	1	8,983	8,983	8,983	8,983
At 31 December					
- ordinary shares	1	**8,983**	**8,983**	**8,983**	**8,983**

Share premium

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

25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Legal reserve as at 31 December 2017 and 2016 was higher than 10% of the registered authorised capital.

Other components of equity

Exchange differences on translating financial statement

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

Differences on acquisition of non-controlling interests

Differences on acquisition of non-controlling interests recognised in equity relate to difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid.

26 Subordinated perpetual debentures

On 30 November 2016 and 22 August 2017 the Company issued unsecured, unconvertible and subordinated perpetual debentures in registered name form ("Debentures") of Baht 10,000 million (debentures no. 1/2016) and Baht 10,000 million (debentures no. 1/2017), respectively, which are payable upon dissolution of the Company or upon the exercise of the Company's early redemption right per condition as stipulated in the terms and conditions of debentures. These debentures bear interest which is calculated based on 5-year government bond yield adjusted with initial credit spread and coupon rate as stipulated in the terms and conditions of the debentures and is paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without time and number limitation based on the Company's discretion.

If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

(a) declare or pay any dividend; and

(b) pay any interest or distribute any assets to any holder of Parity Securities or Junior Securities; and

(c) redeem, reduce, cancel, acquire, or buy-back any securities issued by the Company which rank pari passu or junior to these debentures.

These Debentures of totalling Baht 19,909 million, net of issuance cost of Baht 91 million, are recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2017 (consisted of debentures no. 1/2016 of Baht 9,953 million, net of issuance cost of Baht 47 million and debentures no. 1/2017 of Baht 9,956 million, net of issuance cost of Baht 44 million). Debentures no. 1/2016 of Baht 9,953 million, net of issuance cost of Baht 47 million, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2016.

As at 31 December 2017, the company has not deferred any interest payments to the subordinated perpetual debenture holders. Cumulative interest for the year ended 31 December 2017 which the debenture holders have the right to receive if the interest payment was announced amounting to Baht 681 million *(2016: Baht 44 million)*. During the year of 2017, the Company paid interest expenses on subordinated perpetual debentures to the holders of Baht 500 million *(2016: nil)*.

27 Segment information

The Group has 3 reportable segments which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker ("CODM") reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1: Convenience stores
Segment 2: Cash and carry
Segment 3: Other

Other operations include bill payment services, frozen food plant and bakery, and distributor of retailing equipment and educational institutions. None of these segments meets the quantitative thresholds for determining reportable segments in 2017 and 2016.

The Group is managed and operates principally (more than 98%) in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax expense, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before income tax expense is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2017 and 2016 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
					(in million Baht)					
Revenue from sale of goods and rendering of services	278,751	256,401	185,804	172,093	34,989	31,800	(28,475)	(25,582)	471,069	434,712
Interest income	363	308	14	10	78	89	(216)	(177)	239	230
Dividend income	5,473	4,471	-	-	50	50	(5,523)	(4,521)	-	-
Net foreign exchange gain	-	-	48	-	10	97	(58)	(20)	-	77
Other income	17,997	17,066	891	689	736	665	(1,529)	(1,500)	18,095	16,920
Total revenues	**302,584**	**278,246**	**186,757**	**172,792**	**35,863**	**32,701**	**(35,801)**	**(31,800)**	**489,403**	**451,939**
Cost of sale of goods and rendering of services	200,516	183,850	164,352	153,722	26,317	24,411	(25,183)	(22,295)	366,002	339,688
Distribution costs	65,297	60,559	11,124	10,121	2,809	2,423	(1,930)	(1,912)	77,300	71,191
Administrative expenses	10,946	9,979	3,662	2,394	3,188	2,923	(3,194)	(2,820)	14,602	12,476
Net foreign exchange loss	-	-	-	5	58	15	(57)	(20)	1	-
Finance costs	7,644	8,155	348	279	179	112	(179)	(104)	7,992	8,442
Total expenses	**284,403**	**262,543**	**179,486**	**166,521**	**32,551**	**29,884**	**(30,543)**	**(27,151)**	**465,897**	**431,797**
Profit before income tax expense	**18,181**	**15,703**	**7,271**	**6,271**	**3,312**	**2,817**	**(5,258)**	**(4,649)**	**23,506**	**20,142**

Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2017 and 2016 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
					(in million Baht)					
Investment properties	-	-	333	333	-	-	-	-	333	333
Property, plant and equipment	28,294	25,639	59,333	58,513	19,001	15,294	(234)	(319)	106,394	99,127
Goodwill	-	-	128,191	125,935	137	137	-	-	128,328	126,072
Leasehold rights	351	354	2,727	2,656	997	300	-	-	4,075	3,310
Other intangible assets	1,330	1,085	48,477	47,796	1,592	1,531	(150)	(136)	51,249	50,276
Other assets	249,735	253,794	21,217	19,263	24,454	22,505	(225,486)	(222,412)	69,920	73,150
Segment assets as at 31 December	**279,710**	**280,872**	**260,278**	**254,496**	**46,181**	**39,767**	**(225,870)**	**(222,867)**	**360,299**	**352,268**
Segment liabilities as at 31 December	**216,722**	**234,959**	**56,043**	**52,280**	**25,102**	**21,351**	**(17,797)**	**(15,925)**	**280,070**	**292,665**

28 Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Sale promotion income	9,905	9,751	9,840	9,693
Income on royalties and other fees relating to licenses income	2,132	1,931	2,132	1,931
Other	6,058	5,238	6,025	5,442
Total	**18,095**	**16,920**	**17,997**	**17,066**

29 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Convenience store management fees	17,632	15,955	17,632	15,955
Employee benefit expenses	15,779	14,616	11,781	10,973
Advertising and sale promotion expenses	11,837	11,720	10,815	10,767
Utilities expenses	7,031	6,773	5,720	5,538
Depreciation and amortisation	6,874	6,082	4,610	4,041
Rental fees	6,729	6,028	6,211	5,571
Other	11,418	10,017	8,529	7,714
Total	**77,300**	**71,191**	**65,298**	**60,559**

30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Employee benefit expenses	9,258	7,691	6,653	5,952
Depreciation and amortisation	1,183	979	591	516
Rental fees	1,115	939	954	817
Utilities expenses	267	273	151	174
Other	2,779	2,593	2,597	2,520
Total	**14,602**	**12,475**	**10,946**	**9,979**

31 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Salaries, wages and bonus		28,445	25,756	18,124	16,969
Staff welfares		833	664	351	260
Contribution to social security fund		663	608	438	403
Defined benefit plans	*22*	292	266	148	137
Contribution to provident fund		252	230	140	125
Training expenses		123	101	1,340	1,042
Other		136	100	43	39
Total		**30,744**	**27,725**	**20,584**	**18,975**

The Company and its local subsidiaries have established a contributory registered provident fund to which the Company and subsidiaries each contribute monthly at the rates ranging from 2% to 3% of the employees' basic salaries, and employees each contribute monthly at the rates ranging from 2% to 15% of the employees' basic salaries. The Company's and the subsidiaries' contributions to the provident 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.

32 Expenses by nature

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Changes in inventories of finished goods and work in progress		(576)	(1,598)	(922)	(1,123)
Purchase of finished goods		343,045	318,072	193,291	175,869
Raw materials and consumables used		7,958	7,010	-	-
Depreciation	*14*	8,744	7,532	5,350	4,696
Amortisation - leasehold rights		281	273	110	113
Amortisation - other intangible assets	*16*	533	510	183	170
Employee benefit expenses	*31*	30,744	27,725	20,584	18,975
Convenience store management fees		17,632	15,955	17,632	15,955
Advertising and sale promotion expenses		13,331	14,705	12,328	13,656
Utilities expenses		7,880	7,588	5,981	5,828
Rental fees		8,023	7,134	7,238	6,457
Other		20,309	18,448	14,985	13,792
Total cost of sales of goods and rendering of services, distribution costs and administrative expenses		**457,904**	**423,354**	**276,760**	**254,388**

33 Finance costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Finance costs paid to:				
Financial institutions	7,923	8,381	7,644	8,155
Other parties under finance lease	70	61	-	-
Total	**7,993**	**8,442**	**7,644**	**8,155**

34 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Current tax					
Current year		3,656	3,490	1,590	1,632
Over provided in prior years		(25)	(15)	-	-
		3,631	**3,475**	**1,590**	**1,632**
Deferred income tax					
Movements in temporary differences		(144)	(152)	(27)	(28)
	17	**(144)**	**(152)**	**(27)**	**(28)**
Total		**3,487**	**3,323**	**1,563**	**1,604**

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2017			2016		
	Before tax	Taxable Income	Net of tax	Before tax	Tax income	Net of tax
	(in million Baht)					
Losses on measurement of defined benefit plans	51	(10)	41	172	(30)	142
Total	**51**	**(10)**	**41**	**172**	**(30)**	**142**

	Separate financial statements					
	2017			2016		
	Before tax	Taxable income	Net of tax	Before tax	Tax income	Net of tax
	(in million Baht)					
Losses on measurement of defined benefit plans	19	(4)	15	114	(23)	91
Total	**19**	**(4)**	**15**	**114**	**(23)**	**91**

Reconciliation of effective tax rate

	Consolidated financial statements			
Applicable tax rate *(%)*	0%	20%	Other	Total
		(in million Baht)		
2017				
Accounting profit (loss) before income tax expense	242	23,501	(237)	23,506
Income tax at the applicable tax rates	-	4,700	14	4,714
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,206)	4	(1,202)
Over provided in prior years	-	(24)	(1)	(25)
Net	**-**	**3,470**	**17**	**3,487**
2016				
Accounting profit (loss) before income tax expense	92	20,220	(170)	20,142
Income tax at the applicable tax rates	-	4,044	-	4,044
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(706)	-	(706)
Over provided in prior years	-	(15)	-	(15)
Net	**-**	**3,323**	**-**	**3,323**

	Separate financial statements	
Applicable tax rate *(%)*	20%	20%
	2017	2016
	(in million Baht)	
Accounting profit before income tax expense	18,181	15,703
Income tax at the applicable tax rates	3,636	3,141
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(2,073)	(1,537)
Net	**1,563**	**1,604**

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, a local subsidiary has been granted privileges by the Board of Investment relating to the production of ready-to-serve foods or semi ready-to-serve foods, bakery, and chill. The privileges granted include:

(a) an exemption from payment of import duty on machinery approved by the Board of Investment;

(b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates;

(c) an exemption from payment of import duty on necessary raw materials and supplies to be used in the production for export sales for a period of 1 year from the first import date;

(d) an exemption from the payment of import duty on imported goods with the re-export condition for a period of 1 year from the first import date;

(e) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period the Company being granted exemption; and

(f) a permission to deduct 25% of installation costs or construction costs of assets necessary for the Company's operation besides a deduction of their normal depreciation.

Revenue from sale of goods under the promoted business of the subsidiary for the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements	
	2017	2016
	(in million Baht)	
Export sales	-	-
Domestic sales	5,977	5,634
Total	**5,977**	**5,634**

As a promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

36 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to equity holders of the Company less cumulative interest for the years on subordinated perpetual debentures and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht/million shares)			
Profit for the year attributable to equity holders of the Company	19,908	16,677	16,618	14,099
Less: cumulative interest for the year on subordinated perpetual debentures	(681)	(44)	(681)	(44)
Profit used in calculation of basic earnings per share	**19,227**	**16,633**	**15,937**	**14,055**
Number of ordinary share outstanding during the year	**8,983**	**8,983**	**8,983**	**8,983**
Basic earnings per share *(in Baht)*	**2.14**	**1.85**	**1.77**	**1.57**

37 Dividends

At the annual general meeting of the shareholders of the Company held on 20 April 2017, the Company's shareholders approved the appropriation of 2016 annual dividends of Baht 1.00 per share for 8,983,101,348 ordinary shares, totaling Baht 8,983 million, from the profit attributable to equity holders of the Company for the year 2016. The dividends were paid to the Company's shareholders on 18 May 2017.

At the annual general meeting of the shareholders of the Company held on 21 April 2016, the Company's shareholders approved the appropriation of 2015 annual dividends of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million, from the profit attributable to equity holders of the Company for the year 2015. The dividends were paid to the Company's shareholders on 19 May 2016.

38 Financial instruments

Financial risk management policies

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 derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

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

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 change 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 manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

The interest rates of financial assets as at 31 December 2017 and 2016 and the periods in which the financial assets mature or reprice were as follows:

	Consolidated financial statements				
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2017					
Current					
- Time deposits	1.50 - 3.80	15	-	-	15
- Debt securities	1.25 - 1.60	1,370	-	-	1,370
Total		**1,385**	**-**	**-**	**1,385**
2016					
Current					
- Time deposits	0.40 - 2.25	6	-	-	6
- Debt securities	1.15 - 1.50	1,370	-	-	1,370
Total		**1,376**	**-**	**-**	**1,376**

	Separate financial statements				
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2017					
Current					
Short-term loans to subsidiaries	4.75	4,700	-	-	4,700
Total		**4,700**	**-**	**-**	**4,700**
2016					
Current					
Short-term loans to subsidiary	4.75	4,825	-	-	4,825
Total		**4,825**	**-**	**-**	**4,825**

The interest rates of interest-bearing liabilities as at 31 December 2017 and 2016 and the periods in which interest-bearing liabilities mature or re-price were as follows:

		Consolidated financial statements			
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2017					
Current					
- Promissory notes	Market rate	3,560	-	-	3,560
- Liabilities under trust receipts	Market rate	697	-	-	697
- Short-term borrowings from financial institutions	Market rate	69	-	-	69
- Current portion of debentures	2.98 - 4.70	14,747	-	-	14,747
- Current portion of long-term borrowings from financial institutions	Interest rate as stipulated on agreement	2,031	-	-	2,031
- Current portion of finance lease liabilities	9.00	118	-	-	118
Total		**21,222**	**-**	**-**	**21,222**
Non-current					
- Debentures	2.49 - 5.35	-	61,786	79,092	140,878
- Long-term borrowings from financial institutions	Interest rate as stipulated on agreement	-	3,095	1,155	4,250
- Finance lease liabilities	9.00	-	353	335	688
- Guarantee deposits payable to franchisees	1.25 - 1.50	-	67	3,458	3,525
Total		**-**	**65,301**	**84,040**	**149,341**
2016					
Current					
- Promissory notes	Market rate	3,080	-	-	3,080
- Liabilities under trust receipts	Market rate	325	-	-	325
- Short-term borrowings from financial institutions	Market rate	111	-	-	111
- Current portion of debentures	3.45 - 3.71	25,937	-	-	25,937
- Current portion of long-term borrowings from financial institutions	Interest rate as stipulated on agreement	2,000	-	-	2,000
- Current portion of finance lease liabilities	9.00	101	-	-	101
Total		**31,554**	**-**	**-**	**31,554**

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Consolidated financial statements				
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
Non-current					
- Debentures	2.49 - 5.35	-	82,418	71,804	154,222
- Long-term borrowings from financial institutions	Interest rate as stipulated on agreement	-	2,000	585	2,585
- Finance lease liabilities	9.00	-	355	390	745
- Guarantee deposits payable to franchisees	1.38 - 2.00	-	77	3,220	3,297
Total		**-**	**84,850**	**75,999**	**160,849**

	Separate financial statements				
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2017					
Current					
- Current portion of debentures	2.98 - 4.70	14,747	-	-	14,747
Total		**14,747**	**-**	**-**	**14,747**
Non-current					
- Debentures	2.49 - 5.35	-	61,786	79,092	140,878
- Guarantee deposits payable to franchisees	1.25 - 1.38	-	-	3,458	3,458
Total		**-**	**61,786**	**82,550**	**144,336**
2016					
Current					
- Current portion of debentures	3.45 - 3.71	25,937	-	-	25,937
Total		**25,937**	**-**	**-**	**25,937**
Non-current					
- Debentures	2.49 - 5.35	-	82,418	71,804	154,222
- Guarantee deposits payable to franchisees	1.38	-	-	3,220	3,220
Total		**-**	**82,418**	**75,024**	**157,442**

Foreign currency risk

The Group is exposed to foreign currency risk relating to borrowings from financial institutions, purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales of goods, denominated in foreign currencies, for the subsequent period.

At 31 December 2017 and 2016 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		**Separate financial statements**	
	Foreign currency	2017	2016	2017	2016
		(in million Baht)			
Cash and cash equivalents					
Foreign currency	China Renminbi	2,240	2,572	-	-
	United States Dollar	677	106	-	-
	Indian Rupee	125	-	-	-
	Hong Kong Dollar	70	1	-	-
	United Arab Emirates Dirham	69	-	-	-
	Singapore Dollar	52	-	-	-
	Cambodia Riel	8	-	-	-
	Vietnamese Dong	3	11	-	-
	Australian Dollar	2	-	-	-
	Euro	1	-	-	-
Current investments					
Foreign currency	United States Dollar	8	4	-	-
	China Renminbi	3	-	-	-
	Indian Rupee	3	-	-	-
Trade accounts receivable and other receivables					
Foreign currency	Singapore Dollar	261	-	-	-
	China Renminbi	252	289	-	-
	United Arab Emirates Dirham	132	-	-	-
	United States Dollar	102	57	-	-
	Hong Kong Dollar	56	-	-	-
	Vietnamese Dong	45	29	-	-
	Indian Rupee	15	-	-	-
	Swiss Franc	13	3	-	-
	Australian Dollar	5	-	-	-
	Euro	5	-	-	-
Forward currency contracts - to buy and sell	Swiss Franc	18	6	-	-
	United States Dollar	7	26	-	-

		Consolidated financial statements		Separate financial statements	
	Foreign currency	2017	2016	2017	2016
			(in million Baht)		
Other current assets					
Foreign currency	China Renminbi	111	-	-	-
	Singapore Dollar	5	-	-	-
	Hong Kong Dollar	4	-	-	-
	United Arab Emirates Dirham	3	-	-	-
	Indian Rupee	3	-	-	-
	Vietnamese Dong	-	2	-	-
	Myanmar Kyat	-	1	-	-
Other non-current assets					
Foreign currency	Singapore Dollar	7	-	-	-
	Vietnamese Dong	3	-	-	-
	United States Dollar	1	-	-	-
Short-term borrowings from financial institutions					
Foreign currency	Singapore Dollar	269	-	-	-
	Vietnamese Dong	48	3	-	-
	United States Dollar	21	107	-	-
Trade accounts payable and other payables					
Foreign currency	United States Dollar	1,231	660	-	-
	China Renminbi	729	568	-	-
	Euro	144	165	-	-
	United Arab Emirates Dirham	100	-	-	-
	Singapore Dollar	96	-	-	-
	Australian Dollar	87	27	-	-
	Yen	30	43	-	-
	Indian Rupee	30	-	-	-
	Hong Kong Dollar	26	-	-	-
	Pound Sterling	21	31	-	-
	Vietnamese Dong	6	3	-	-
	Swiss Franc	-	1	-	-
Forward currency contracts – to buy and sell	United States Dollar	447	308	-	-
	Yen	110	84	-	-
	Euro	38	115	-	-
	Australian Dollar	3	15	-	-
Other current liabilities					
Foreign currency	United States Dollar	12	1	-	-
	Vietnamese Dong	-	3	-	-

	Foreign currency	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
		(in million Baht)			
Long-term borrowings from financial institutions					
Foreign currency	Singapore Dollar	25	-	-	-
Other non-current liabilities					
Foreign currency	Singapore Dollar	232	-	-	-
	Indian Rupee	3	-	-	-

Credit risk

Credit risk is the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount 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 not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2017					
Financial liabilities measured at fair value					
Contingent consideration	232	-	-	232	232
Financial liabilities not measured at fair value					
Current					
Debentures	14,747	-	15,075	-	15,075
Long-term borrowings from financial institutions	2,031	-	2,051	-	2,051
Finance lease liabilities	118	-	175	-	175

	Consolidated financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(in million Baht)		
31 December 2017					
Financial liabilities not measured at fair value					
Non-current					
Debentures	140,878	-	149,915	-	149,915
Long-term borrowings from financial institutions	4,250	-	4,284	-	4,284
Finance lease liabilities	688	-	795	-	795
Accrued guarantee deposits	3,593	-	3,103	-	3,103
31 December 2016					
Financial liabilities not measured at fair value					
Current					
Debentures	25,937	-	26,114	-	26,114
Long-term borrowings from financial institutions	2,000	-	2,019	-	2,019
Finance lease liabilities	101	-	162	-	162
Non-current					
Debentures	154,222	-	160,183	-	160,183
Long-term borrowings from financial institutions	2,585	-	2,603	-	2,603
Finance lease liabilities	745	-	847	-	847
Accrued guarantee deposits	3,342	-	2,764	-	2,764

	Separate financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(in million Baht)		
31 December 2017					
Financial liabilities not measured at fair value					
Current					
Debentures	14,747	-	15,075	-	15,075
Non-current					
Debentures	140,878	-	149,915	-	149,915
Accrued guarantee deposits	3,458	-	2,968	-	2,968
31 December 2016					
Financial liabilities not measured at fair value					
Current					
Debentures	25,937	-	26,114	-	26,114

	Separate financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2016					
Financial liabilities not measured at fair value					
Non-current					
Debentures	154,222	-	160,183	-	160,183
Accrued guarantee deposits	3,220	-	2,642	-	2,642

As at 31 December 2017 and 2016 the Group had total forward currency contracts as follow:

		Consolidated financial statement	
	Foreign currency	2017	2016
		(in million)	
Forward currency contracts	Yen	377.3	270.4
- to buy	United States Dollar	13.6	8.5
	Euro	1.0	3.0
	Australian Dollar	0.1	0.6
Forward currency contracts	Swiss Franc	0.5	0.2
- to sell	United States Dollar	0.2	0.7

As at 31 December 2017 the fair value of forward currency contracts - to buy and forward currency contracts - to sell amounting to Baht 595 million and Baht 25 million, respectively. *(2016: Baht 518 million and Baht 31 million, respectively)*.

Financial instruments not measured at fair value

Fair value for trade debentures have been determined base on quoted selling price from the Thai Bond Market Association at the close of the business on the reporting date.

Fair value of forward currency contracts are derived from financial institutions as at the reporting date which calculated from financial models with reference to market input parameter.

Fair value for finance lease liabilities, long-term borrowing from financial institutions and accrued guarantee deposits were calculated by using discounted cash flow method.

39 Supplemental disclosures of cash flows information

Property, plant and equipment and other intangible assets paid by cash during the years ended 31 December 2017 and 2016 are detailed as follows:

Property, plant and equipment

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in million Baht)			
Increase during the year	*14*	16,079	17,750	8,193	8,011
Add (less) - changes in payables		(48)	453	(163)	203
- assets under finance lease		(55)	(327)	-	-
Purchase and paid by cash		**15,976**	**17,876**	**8,030**	**8,214**

Other intangible assets

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Increase during the year	*16*	1,054	714	452	384
Add (less) - changes in payables		6	366	(1)	71
Purchase and paid by cash		**1,060**	**1,080**	**451**	**455**

40 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)	1,233	421	-	-
Total	**1,233**	**421**	**-**	**-**

Future minimum lease payments under non-cancellable operating leases

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Within one year	6,472	5,481	5,911	4,947
After one year but within five years	9,336	7,988	7,438	6,253
After five years	8,241	6,660	2,667	2,226
Total	**24,049**	**20,129**	**16,016**	**13,426**

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 31 years, which will expire between 2018 and 2047.

Other commitments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Unused letters of credit for purchase of goods and supplies	255	322	-	-
Total	**255**	**322**	**-**	**-**

Letters of guarantee

As at 31 December 2017 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 1,938 million and United States Dollars 0.3 million *(2016 : Baht 1,273 million and United States Dollars 0.3 million)*.

Significant agreements

As at 31 December 2017 the Group had the following significant agreements:

(a) The Company has an area license agreement with 7-Eleven, Inc., which was incorporated in the United States of America, to acquire a license to use the systems and trademarks of 7-Eleven, Inc. in connection with the operations of 7-Eleven convenience stores or franchising of such operations to other retailers in Thailand. The Company has also obtained certain services from 7-Eleven, Inc. in relation to training and technical assistance. In consideration thereof, the Company is committed to pay royalties to 7-Eleven, Inc. calculated as percentages of total sales of the 7-Eleven convenience stores that are operating in Thailand.

(b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties from those licensees in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damage and/or liability that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposit rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.

(c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers ("licensees"). Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.

(d) A local subsidiary, Gosoft (Thailand) Co., Ltd., has service agreements with local companies ("the parties"), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 4 to 6 months, and will expire on various dates until December 2018.

(e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, etc.), and other local companies (e.g., hire purchase, life insurance premium, etc.) ("the parties"). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the parties then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers or local companies as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to November 2021. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.

(f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies ("the parties"), whereby the latter parties are appointed as agents of the subsidiary for receipts of customers' bills as specified in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to June 2021. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

(g) A local subsidiary, CP Retailink Co., Ltd., has repair and maintenance management service agreements with local companies ("the parties"), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

41 Contingent liability

As at 31 December 2017 the Company was contingently liable to a legal case with a fund ("the plaintiff"), in which the Company was a defendant in a lawsuit involving the compliance with Tender Offer Rule. The court of first instance rendered a judgement on 24 February 2015 and ruled the Company to pay the claimed damages amounting to Baht 104.7 million plus interest at the rate of 7.5% per annum starting from 2 August 2013 up to when the settlement of claimed damages will be completed. Consequently on 19 June 2015 the Company appealed the court's judgement; and on 16 November 2015 the plaintiff filed against an appeal to the court.

Subsequently, on 13 July 2016 the civil court read the appeal court's judgment on the legal case. The appeal court dismissed the claim citing to the Company did not commit a wrongful act against the plaintiff. Therefore, the Company does not have a liability to pay the claimed damages in accordance to the first instance court's judgment. Accordingly, no provision has been made in the financial statements for the year ended 31 December 2017.

On 14 November 2016, the Company and the plaintiff filed their own petitions with the Supreme Court. The court accepted the plaintiff's petition on 21 April 2017 and the Company's petition on 26 May 2017. As at the date in this report, the legal case was still pending with the Supreme Court.

42 Events after the reporting period

42.1 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited ("Siam Makro")) held on 20 February 2018, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2017 of Baht 0.56 per share for 4,800 million ordinary shares, totaling Baht 2,688 million. The declaration of dividend payment must be approved by the shareholders' meeting of the subsidiary.

42.2 At the Board of Directors' meeting of the Company held on 22 February 2018, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2017 of Baht 1.10 per share for 8,983 million ordinary shares, totaling Baht 9,881 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.

43 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2016 have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After Reclassification
	(in million Baht)					
Statement of financial position as at 31 December						
Other current receivables	2,295	4,338	6,633	2,588	2,085	4,673
Other current assets	5,054	(4,338)	716	2,708	(2,085)	623
Other non-current receivables	-	1,530	1,530	-	1,058	1,058
Other non-current assets	2,378	(1,530)	848	2,068	(1,058)	1,010
Other payables	(3,044)	(10,185)	(13,229)	(8,918)	(6,707)	(15,625)
Other current liabilities	(11,198)	10,185	(1,013)	(7,305)	6,707	(598)
		-			-	

The reclassifications have been made in order to comply with new format of financial statements for public company limited announced by the Department of Business Development of the Ministry of Commerce on 11 October 2016.

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