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56-1 ONE REPORT
ANNUAL REPORT 2020
CP ALL PUBLIC COMPANY LIMITED



GIVING AND SHARING OPPORTUNITIES

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Philosophy

Through happy employees,
we desire to see smiles from customers



Vision

We serve convenience to all communities



Mission

Create customer engagement
with innovation products and services
and become a high performance
organization with sustainability

Summary of Financial Information

For Fiscal Years Ending 31 December

CP ALL Public Company Limited and its Subsidiaries

	2018	2019	2020
Consolidated Financial Information (Million Baht)			
Net Sales and Services Income	508,212	550,901	525,884
Total Revenues	527,174	571,110	546,590
Net Profit	20,930	22,343	16,102
Net Cash Provided by Operating Activities	41,227	40,477	39,148
Total Assets	373,742	375,617	523,354
Total Liabilities	273,923	267,250	411,759
Total Equity	99,819	108,368	111,595
Share Information (Baht)			
Book Value per Share	11.11	12.06	12.42
Earnings per Share	2.22	2.38	1.68
Dividend per Share	1.20	1.25	0.90**
Financial Ratios (Percentage)			
Gross Margin (Sales and Services)	22.3	22.7	21.9
EBIT Margin	6.1	5.9	5.1
Net Profit Margin	4.0	3.9	2.9
Net debt to equity (times)	1.19	1.06	21.9
Net debt to equity as determined in the bond covenants (times)*	1.04	0.94	1.62
Net Debt to EBITDA (times)	2.76	2.56	4.16
Return on Total Assets	5.7	6.0	3.6

* the Company is obligated to comply with debenture covenants, by monitoring Net Debt to Equity Ratio. The ratio bases on the information in the consolidated financial statements for the accounting period ending on December 31 of each accounting period that the auditor has audited.

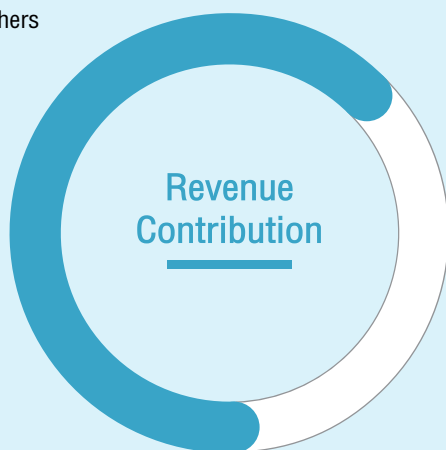
** Dividend payment for 2020 shall be further proposed to the shareholder 's meeting on April 23,2021 for approval

Revenue and Earnings Before Tax

Based on Business Segments*

63%

CVS and Others

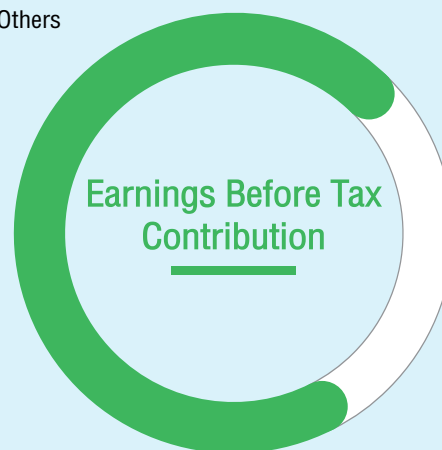


37%

Cash and Carry

70%

CVS and Others



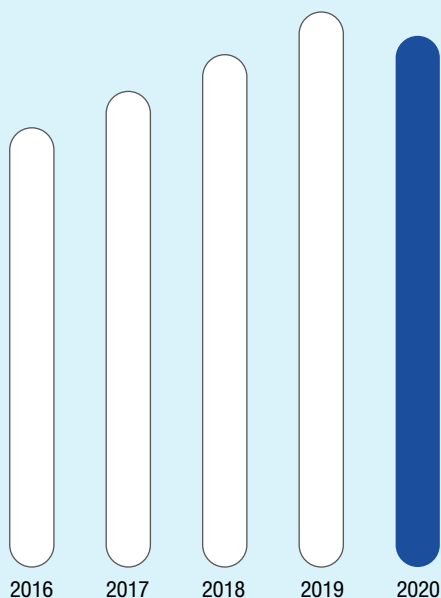
30%

Cash and Carry

* Revenue and earnings before tax before elimination

2020

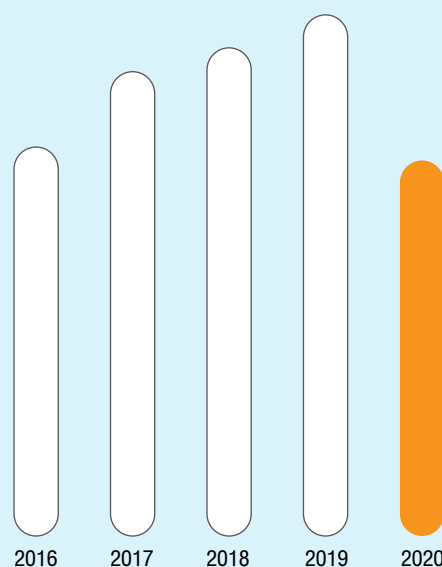
546,590 Million Baht



Total Revenue

2020

16,102 Million Baht



Net Profit

Creating New Experiences for Society

CP ALL is always ready to support the Thai people in any situation.
Our new, convenient offline and online services
are here to better everyone's life.
Together, we will move the Thai economy forward.

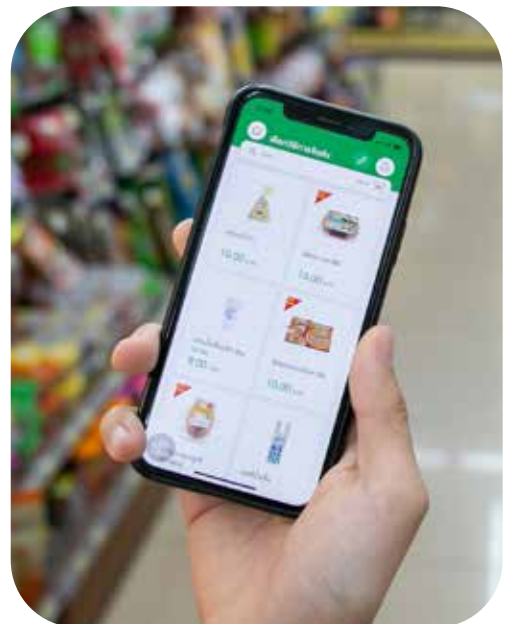


Sharing

Opportunities for Better Lives

CP ALL is committed to moving our organization forward with innovation. We dare to think and be different.

Our business value increases when we share our know-hows and technology, transforming people's lives as we continue innovating for the benefit of the economy and society.



Growing Together

CP ALL recognizes the importance of sustainable growth, environmental conservation, equal opportunities, and a strong, healthy society.

We achieve all this with good corporate governance,
fighting against corruption for the happiness of all stakeholders.



Message from the Chairman and the Chairman of the Executive Committee



Mr. Soopakij Chearavanont
Chairman
CP ALL Public Company Limited

Mr. Korsak Chairasmisak
Chairman of Executive Committee
CP ALL Public Company Limited

The year 2020 has brought with it another major challenge—the coronavirus pandemic. Its impact on economies, society, and the environment has been profoundly felt across the world. Amid an alarming number of infections and deaths, many governments have implemented social distancing measures. The resulting social change has led to a ‘new normal,’ not only in Thai society but the whole world.

CP ALL Public Company Limited recognizes the importance of being flexible and adaptable during volatile economic situations. These qualities help the organization manage risks and ensure business continuity. In alignment with its vision to “We serve convenience to all communities,” CP ALL can move quickly, finding opportunities amongst the changing social needs that come with the COVID-19 pandemic. From the past year until now, the Company has been closely monitoring the COVID-19 situation to assess its impact on its businesses throughout the supply chain as well as stakeholders. The Company has also been continuously helping Thai society and communities, in alignment with its belief in “Giving and sharing opportunities for all.” The Company has always appreciated the importance and potential of our people. Our dedicated employees have always been the main force in helping manage crisis situations. To build morale and encourage its people in line with Charoen Pokphand policies, the Company has announced measures to take care of employees as well as their families. Furthermore, the Company has opened an additional 20,000 jobs nationwide to help alleviate the unemployment situation. With this, our teams are expanded, making us able to deliver good products and services right to customers’ homes. The Company has also provided sources of funding for its 7-Eleven store business partners, farmers, and community partners. In solving problems of liquidity and promoting farmers’ products, the Company believes that all stakeholders can overcome this challenge together, as the CP ALL family. Currently, the Company’s more than two hundred thousand people are ready to provide convenient services to customers in every community across the country. Our services always strictly comply with government and the Company policies to create maximum confidence and ensure safety for all our customers and stakeholders.

Amidst the changing situation, the Company has been proactive in adapting its service strategy to keep up with changing consumer behavior. Its online strategy has been to merge offline with online channels. By developing efficient information technology systems and online channel management processes, the Company has complemented its strength of having convenience, physical store

branches in all communities nationwide. Moreover, the Company now has more distribution channels, such as 7-Delivery and All Online as well as an additional 720 store branches that were planned for expansion. The Company is resolute in maintaining our financial and business situation, despite the challenges that come with COVID-19.

Thus, 2020 marks an important step in the Company’s journey of overseas business expansion. For the past 30 years, the Company has shown great success and excellent performance in the convenience store business. As a result, the Company has been granted franchise rights by 7-Eleven, Inc. (USA) to manage and operate convenience store business under the name ‘7-Eleven’ in two of Thailand’s neighboring countries, Cambodia and Laos. With this, the Company will be able to continue providing innovative, convenient products and services to people in this region.

Furthermore, the Company has invested a 40 percent share in Tesco Asia Group, operating in Thailand and Malaysia. The Company believes that this strategic move will help strengthen its existing business model and contribute to future performance. Also, the Company expects that the investment will help strengthen networks of small and medium entrepreneurs in each country it operates. In helping strengthen these networks, economies will also be strengthened and expanded, resulting in positive, sustainable outcomes for countries, people, and the Company.

The Company is committed to doing business for the benefit of communities and society so that everyone has a good quality of life. Our principles of good governance are also established to positively contribute to economies, societies, and the environment. Presently, the Company has been selected as a member of the Dow Jones Sustainability Indices (DJSI) in its business performance evaluation, benchmarked by the 2020 sustainable development guidelines of the world’s leading companies. The Company’s name is included in the Food and Staples Retailing category, in the World Index for the third consecutive year (2018–2020) and the Emerging Markets Index for the fourth consecutive year (2017–2020).

On behalf of the Board of Directors and the Executive Committee, I would like to thank you our CP ALL family of more than two hundred thousand people, including managers, partners, and all stakeholders in cooperating to perform their duties to the fullest and helping us all to manage risks in the face of this pandemic. With all of you, we can lead the Company to achieve its business goals and positively, sustainably contribute to our country and society, as we always believe in “creating and sharing opportunities for all.”

Board of Directors



1



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3



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1

Adjunct Professor Prasobsook Boondech

Chairman of Sustainability and Corporate Governance Committee and Independent Director

2

Police General Phatcharavat Wongsuwan

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

3

Mr. Padoong Techasarintr

Chairman of Audit Committee, Member of Sustainability and Corporate Governance Committee, Member of Remuneration and Nomination Committee, and Independent Director

4

Mr. Pridi Boonyoung

Member of Audit Committee and Independent Director

5

Mrs. Nampung Wongsmith

Member of Audit Committee and Independent Director

6

Mr. Soopakij Chearavanont

Chairman

7

Mr. Korsak Chairasmisak

Vice Chairman

8

Mr. Suphachai Chearavanont

Vice Chairman and Member of Remuneration and Nomination Committee



9



10



11



12



13



14



15

9

Mr. Adirek Sripratak
Director

10

Mr. Umroong Sanphasitvong
Director
and Member of Sustainability and Corporate
Governance Committee

11

Mr. Narong Chearavanont
Director

12

Mr. Prasert Jarupanich
Director

13

Mr. Pittaya Jearavisitkul
Director

14

Mr. Piyawat Titasattavorakul
Director

15

Mr. Tanin Buranamanit
Director

Executive Committee



1



2



3



4



5



6



7



8



9

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

8

Mr. Vichien Chuengviroj
Member of Executive Committee

9

Ms. Lawan Tienghongsakul
Member of Executive Committee

Executive Officers



1

2

3

4

5



6

7

8

9

10

11

1

Mr. Tanin Buranamanit
Chief Executive Officer

2

Mr. Taweesak Kaewratthanapattama
Senior Vice President - Accounting and Finance

3

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

4

Mr. Yuthasak Poomsurakul
Managing Director (Co)

5

Mr. Vichai Janjariyakun
Managing Director (Co)

6

Ms. Lawan Tienghongsakul
Senior Vice President - Human Resource

7

Mr. Ampa Yongpisanpop
Senior Vice President - Distribution Center Function

8

Mr. Kriengchai Boonpoapichart
Senior Vice President - Accounting and Finance
(Vice)

9

Mrs. Phaphatsorn Thanasorn
Vice President - Purchasing

10

Mr. Wiwat Pongritsakda
Vice President - Information Technology

11

Mr. Ronnakitt Pojamarnpornchai
Vice President - Corporate Strategy

Part 1

Corporate Governance Business Operations and Performance



Structure and Operation of the Company

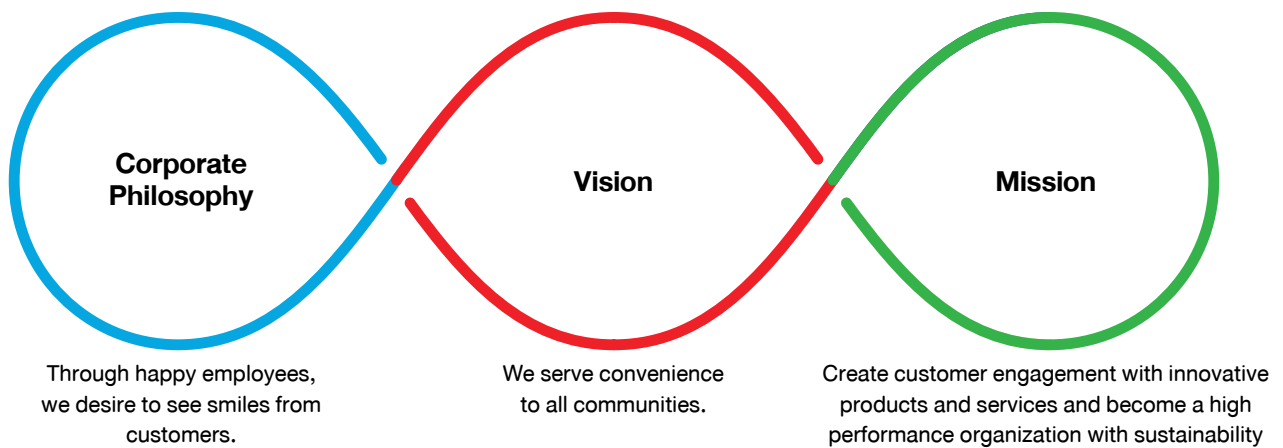
1. Structure and Operation of the Company

1.1 Policy and Business Overview

CP ALL Plc. (“the Company”, “CPALL”) was established in 1988 to operate a convenience store as the main business under the “7-Eleven” trademark in Thailand. Later, the Company expanded its business by operating various businesses to support the convenience store business which is the main business. As well as investing in retail and wholesale businesses to promote the company to have a variety of retail formats and to extend its sustainable long-term growth.

1.1.1 Vision, Goal, and Business Strategies

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:



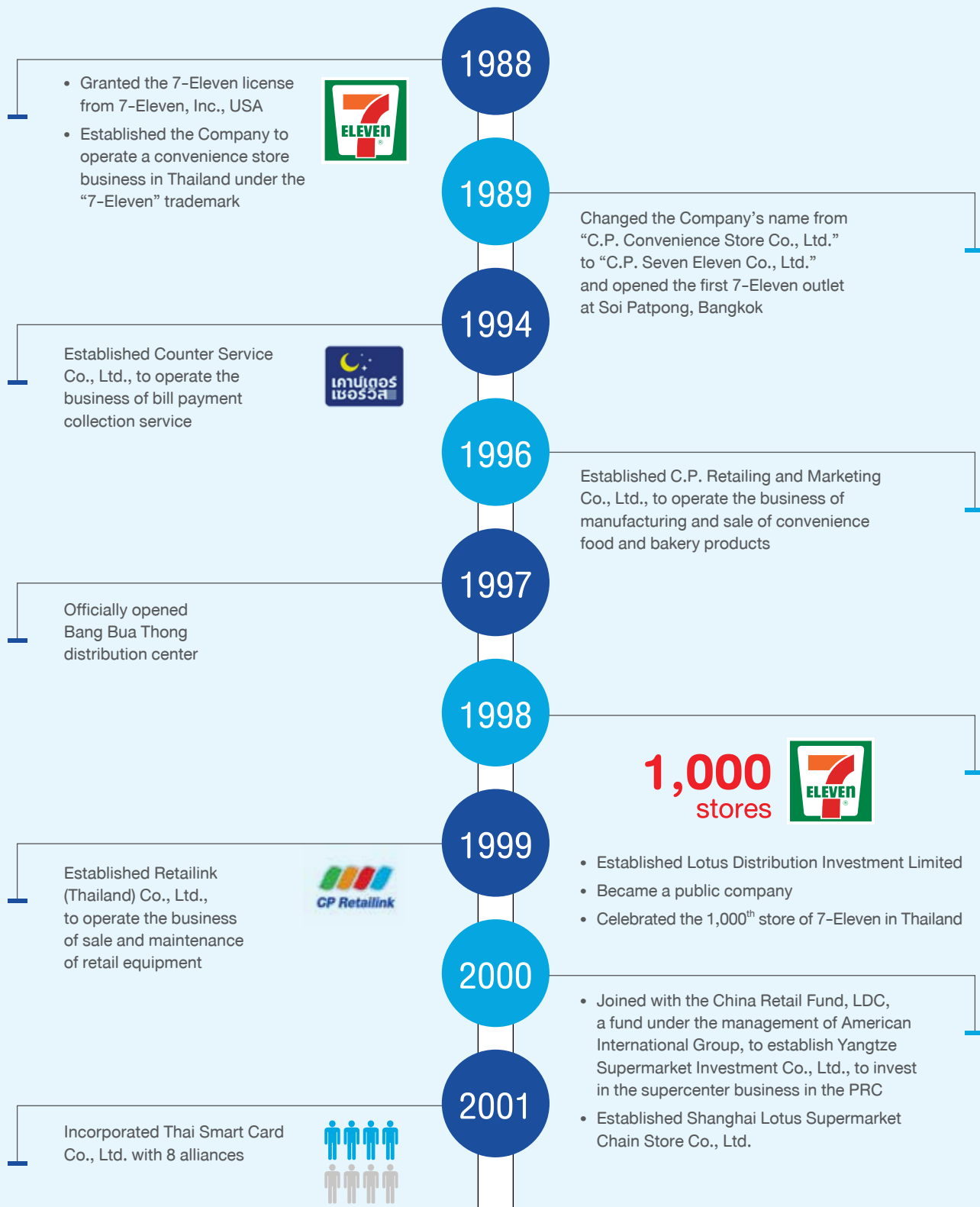
With regards to 7-Eleven store expansion, the Company planned to further open approximately 700 new stores annually, with the milestone of 13,000 stores in 2021. With the strategy of being the convenience food store for Thai people, we emphasize on serving ready-to-eat food products with freshness, cleanliness and safety, as well as developing 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 2020, the Company had a total of 12,432 stores nationwide.

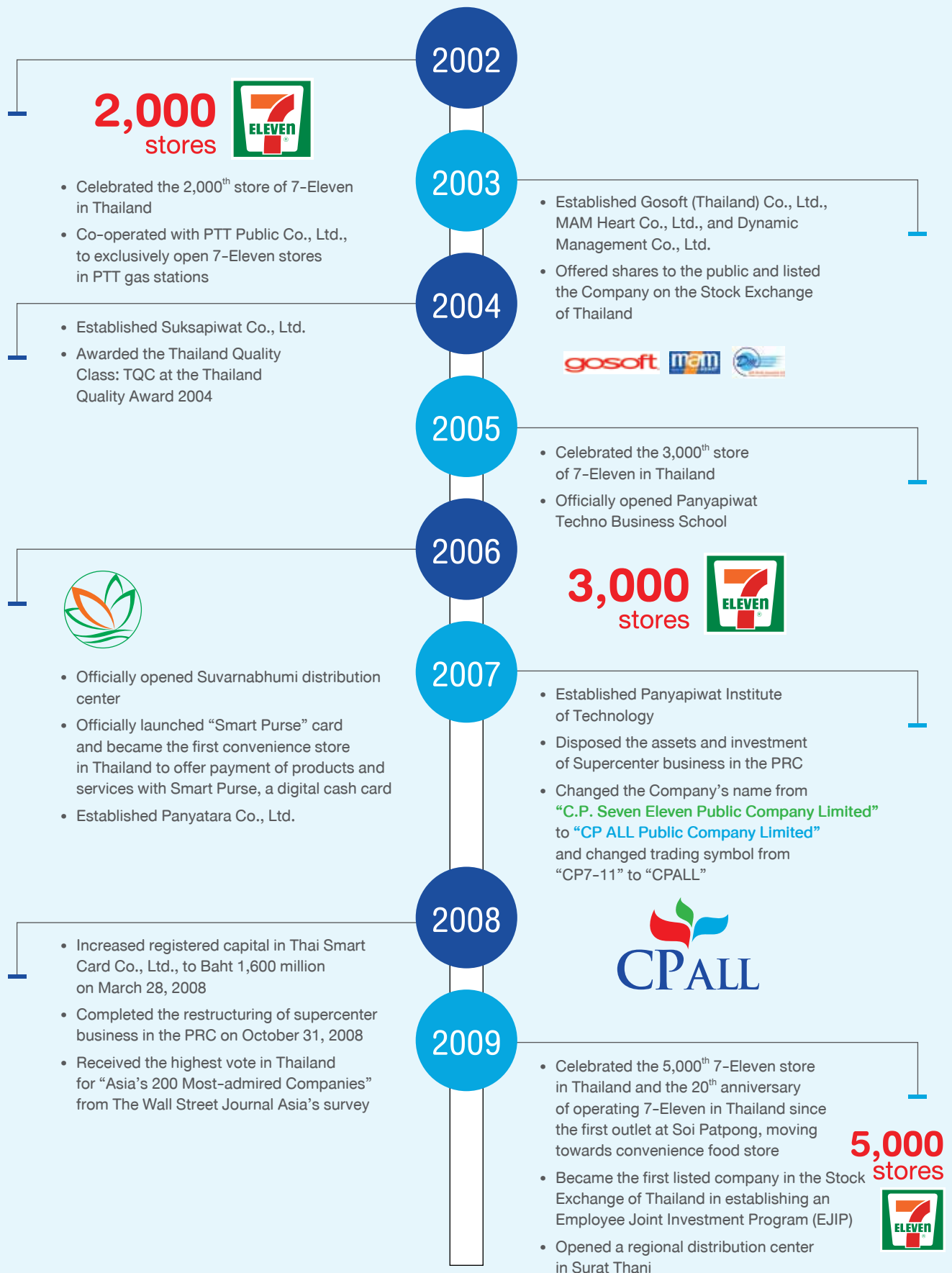
the Company planned to further open approximately **700** new stores

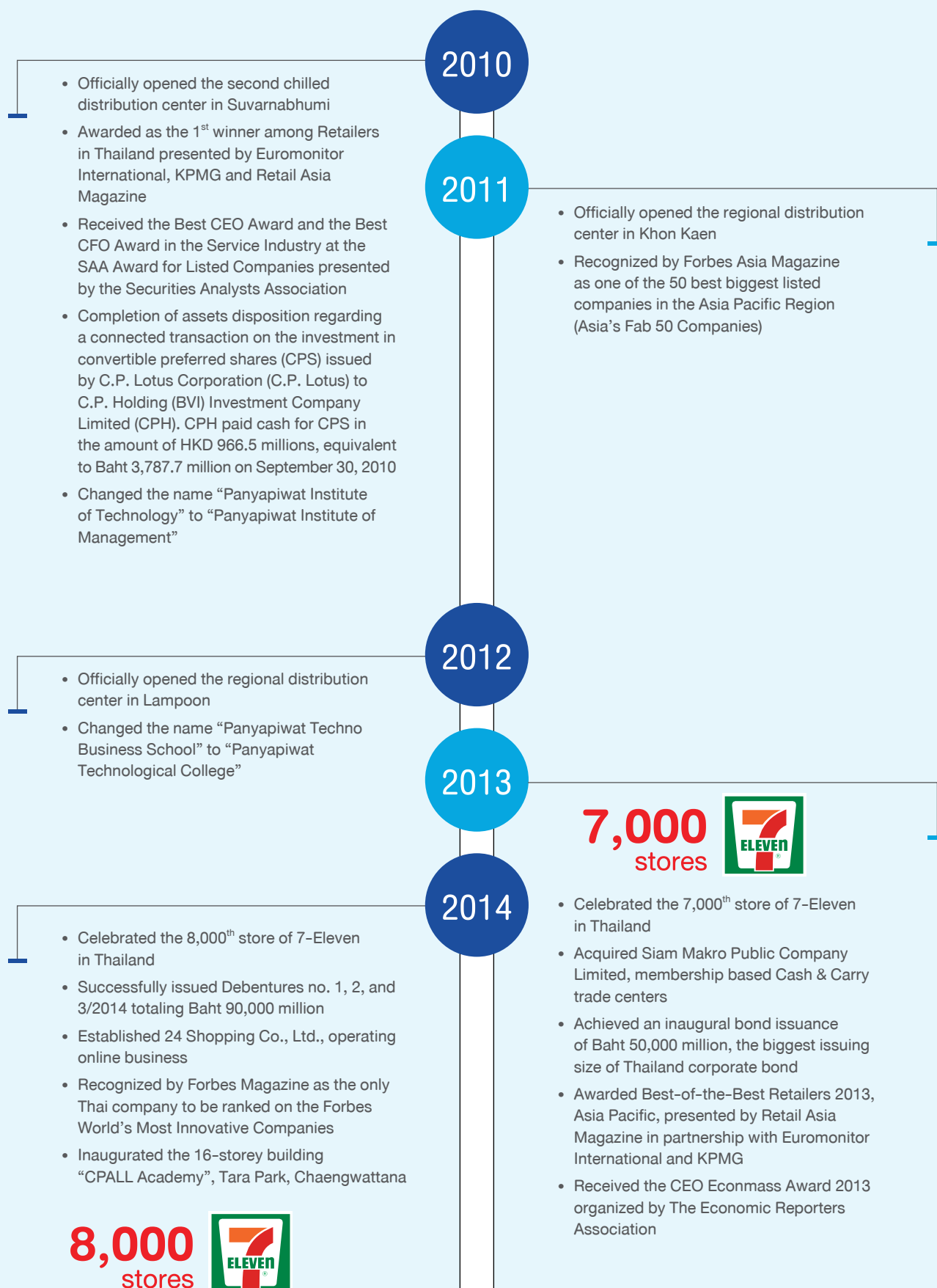
with the milestone of **13,000** stores in **2021**



1.1.2 History and Key Milestones







2015

- 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 Chiangmai

2016

- Celebrated the 9,000th store of 7-Eleven in Thailand
- Successfully issued Debentures no. 1 and 2/2016 totaling Baht 19,000 million to refinance matured debentures
- Issued a new subordinated perpetual debenture for the first time totaling 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., CPALL wholly owned subsidiary.
- Established a demonstration school of "Panyapiwat Institute of Management", which the curriculum allows high school students from M1 to M6
- Counter Service Co., Ltd., increased capital amount Baht 30 million, which made a total registered capital of Baht 100 million
- 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

2017

10,000
stores



- Celebrated the 10,000th store of 7-Eleven 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
- Increased capital amount USD 38 million in Lotus Distribution Investment Limited (LDI), totaling a registered capital of USD 244 million in order to invest in indirect subsidiary company to maintain stakeholding
- 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)
- Received Energy-Saving Building-1st Level Badge in school and convenience store category from Metropolitan Electricity Authority in MEA Energy Saving Building Award 2015 which 14 branches of 7-Eleven stores passed the criteria
- Received Excellence in Consistent TPM Commitment 2015 for CPRAM Co., Ltd. The award was presented by Japan Institute of Plant Maintenance (JIPM) to worldwide organizations that were successful in Total Productive Maintenance system (TPM). CPRAM was the first ready-to-eat Business manufacturer in Thailand who got this award.
- Received Ishikawa - Kano Award (IKA) from Dr. Noriaki Kano for CPRAM Co., Ltd. CPRAM was selected by members of Asian Quality Network (ANQ) from 17 countries because the management has promoted, supported and encouraged Total Quality Management (TQM) among the whole organization.

2017

- 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

2018

- Disposed the 230,248,000 common shares of Siam Makro Public Company Limited ("Makro"), representing 4.80 percent of the total issued share capital of Makro at the price of Baht 44 per share. The main objective of this transaction is to increase the trading liquidity of Makro shares in the Stock Exchange of Thailand.

2019

11,000
stores



- Celebrated the 11,000th store of 7-Eleven in Thailand
- Executed the Indicative Term Sheet with 7-Eleven, Inc. for the receipt of franchise with respect to the establishment and operation of 7-Eleven Stores in Cambodia and Lao People's Democratic Republic
- Established ALL Now Logistics Co., Ltd., with the objective to operate the domestic parcel and express delivery service business. In addition, Dynamic Management Co., Ltd., which operate distribution centers shall be changed its name to All Now Management Co., Ltd.
- Purchased ordinary shares of Thai Smart Card Co., Ltd., from other shareholders, making CPALL owned ordinary shares of Thai Smart Card Co., Ltd., of 100 percent of a registered capital
- Officially opened the regional distribution centers for consumer products in Hatyai (Songkla) and Nakhon Sawan
- Admitted as a member of the Dow Jones Sustainability Index (DJSI) world Index for the second consecutive years and the DJSI Emerging Markets for the third consecutive year (2017-2018). In addition, CPALL is the nomination as a leader in the DJSI World Index in category of Food & Staples Retailing Industry.
- Admitted as a member of FTSE4Good Index for the second consecutive year in two groups, which are FTSE4Good Emerging Index and FTSE4Good ASEAN 5 Index
- Admitted as a member of the 2019 Thailand Sustainability Investment (THSI) from Stock Exchange of Thailand for the second consecutive year in consideration of performance in the economic, social, and environmental dimensions. In addition, received SET Awards 2019 in category of Sustainability Excellence for Highly Commended in Sustainability Awards
- Established ALL Wellness Co., Ltd. CPALL with the objective to provide health and wellness services to the communities with convenience, innovations and digital technology, as well as giving healthcare consults by medical professionals
- Officially opened the regional distribution center for consumer products in Buriram
- Admitted as a member of the Dow Jones Sustainability Index (DJSI) World Index, as well as Emerging Markets for the second consecutive year (2017-2018). It is a DJSI member in the category of Food & Staples Retailing
- Admitted as a member of FTSE4Good Index for the first year in two groups, which are FTSE4Good Emerging Index and FTSE4Good ASEAN 5 Index
- Admitted as a member of the 2018 Thailand Sustainability Investment (THSI), as well as received the 2018 Sustainability Report Award at an outstanding level
- Admitted as the 23rd of the "World's Most Innovative Companies" in Top100 global companies by Forbes in collaboration with Jeff Dyer from Brigham University, and Hal Gregersen from Massachusetts Institute of Technology (MIT). CPALL is the sole Thai company to be selected in this
- Received IR Magazine Awards: Best Investor Relations in Consumer Staples Sector in Southeast Asia

2019

- Awarded as The Best in Category of Consumer Discretionary from Asiamoney – the financial magazine that have the highest number of readers in Asia as well as received Corporate Governance Awards
- Awarded as Best Growth Strategy in Thailand from Finance Asia Best Company 2019
- Awarded as Best Social Media Campaign Award from Thailand Zocial Awards 2019
- Awarded as Thailand's Most Admired Brand & Why We Buy 2019 in category of convenient store with the most reliability for the seventh consecutive year
- Awarded as Most Engaged Official Account and Most Used Sponsored Stickers from Line Thailand Awards 2019
- Received IR Magazine Awards: Southeast Asia 2019 in "Best Overall Investor Relations (Large Cap)"

April 1, 2020, to September 30, 2020. In any case, the Company will not repurchase shares at all throughout the project period.

- CP ALL (Cambodia) Co., Ltd., and CP ALL LAOS CO., LTD., indirect subsidiaries of the Company (in which the Company has 100 percent shareholding through Albuera International Limited, a direct subsidiary with 100 percent shareholding), have entered into Master Franchise Agreements with respect to the operation of 7-Eleven Stores in the Lao People's Democratic Republic and Cambodia with 7-Eleven, Inc., respectively. Under both contracts, CP ALL (Cambodia) Co., Ltd., and CP ALL LAOS CO., LTD., are granted franchising rights in the establishment and operation of 7-Eleven Stores in Laos and Cambodia, respectively, for a period of 30 years, which the parties may agree to extend by two additional 20-year terms.

- Selected to be a member of the Thailand Sustainability Investment Index (THSI) in the Services category by the Stock Exchange of Thailand for the third consecutive year.

- Received 5 stars or Excellent CG Scoring from the Corporate Governance Report (CGR) of Thai Listed Companies 2020 from the Thai Institute of Directors (IOD).

- Selected to be a member of the Dow Jones Sustainability Indices (DJSI) based on the sustainability guidelines of a business performance evaluation by leading global companies in 2020, among them S&P Dow Jones Indices and RobecoSAM. The Company was included in the World Index for the third consecutive year (2018–2020) and the Emerging Markets Index for the fourth consecutive year (2017–2020) in the Food & Staples Retailing category.

- Selected as a member of the FTSE4Good Index in the Food & Drug Retailers category organized by FTSE Russell for the third consecutive year (2018–2020).

- Selected the number 1 trusted brand in the convenience store category in "Thailand's Most Admired Brand & Why We Buy" list in 2020 for the 8th consecutive year.

- Received "Green Brand Love", an award that recognizes environmentally friendly organizations as judged by consumers nationwide, organized by the College of Management Mahidol University (CMMU)

- Received IR Magazine Awards: Southeast Asia 2020 in 3 categories: "Best Overall Investor Relations (Large Cap)", "Best in Sector Consumer Staples", and "Best Investor Relations Officer (Large Cap)"

2020

12,000
stores



- Celebrated the 12,000th store of 7-Eleven in Thailand
- Acquired shares or economic interest of up to 40 percent of the total issued shares in (a) Tesco Store (Thailand) Company Limited, which holds 99.99 percent of the shares in Ek-Chai Distribution System Co., Ltd., a retail operator under the Tesco Lotus trademark in Thailand, and (b) Tesco Stores (Malaysia) Sdn. Bhd., a retail operator under the Tesco brand in Malaysia. This is an indirect investment made through C.P. Retail Holding Company Limited ("CPRH"), which wholly owns the share capital of C.P. Retail Development Company Limited ("Acquiring Entity"). The Company directly holds 40 percent of the total number of CPRH's issued shares. (The Tesco Asia Group indirect investment transaction was completed on 18 December 2020. The Company's investment in CPRH was totally of Baht 85,635 million. Later, Tesco Store (Thailand) Company Limited has completed the registration of changed its juristic person name to "Lotus's Store (Thailand) Company Limited" on 7 January 2021.)
- The Company has established a Share Repurchase Program (Treasury Stock) for financial management purposes in the amount not exceeding Baht 13,000 million. The repurchase period will be from

1.1.3 the Purposes as Disclosed; those are

Use of proceeds from an issuance of equity or debt securities issued during 2020

(1.1) CPALL Public Company Limited Debentures No.1/2020

Use of Proceeds	Estimated Amount	Estimated Term Duration	Description / Progress in Use of Proceeds
To repayment of borrowing from the issuance of debentures	Baht 1,500 million	30/6/2020 (Debentures No. 2/2015 term of 5 years at maturity date)	To repayment of matured debentures according to the objective of issuance
Others	Baht 6,000 million	Within one year from an issued date	To use as business working capital according to the objective of issuance

(1.2) CPALL Public Company Limited Debentures No.2/2020

Use of Proceeds	Estimated Amount	Estimated Term Duration	Description / Progress in Use of Proceeds
To repayment of borrowing from the issuance of debentures	Baht 11,100 million	2/11/2020 (Debentures No. 2/2013 term of 7 years at maturity date)	To repayment of matured debentures according to the objective of issuance
Others	Baht 13,900 million	Term due in 2021	To use as business working capital and/or to partially repayment of debentures which will mature in 2021

1.1.4 Obligations that the Company Pledges in the Securities Offering Registration Statement and /or the SEC's Conditions and / or SET's listing conditions

–None–

1.1.5 Company Head Office

CP All Public Company Limited (“the Company”) operates convenience stores under the “7-Eleven” trademark. 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, 2020, the Company has registered capital at Baht 8,986,296,048 of which 8,986,296,048 ordinary shares with a par value of Baht 1 per share. The paid-up capital is to Baht 8,983,101,348.

Company Head Office – 313 C.P. Tower, Floor 24, Silom Road, Bangrak District, Bangkok, Thailand 10500
Telephone 0 2071 9000, Fax 0 2238 1767, www.cpall.co.th

1.2 Overview of Business Operation

1.2.1 Revenue Structure

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

Business Unit	2018		2019		2020	
	Million Baht	percent	Million Baht	percent	Million Baht	percent
Convenience store (7-Eleven)	335,187	59	361,034	59	328,530	55
Cash and Carry (Makro)	192,932	34	210,629	34	218,762	37
Others ^{/1}	40,480	7	45,403	7	46,350	8
Total revenue	568,599	100	617,066	100	593,642	100

/1 The category comprises CPRAM's business in production and distribution of ready-to-eat food and bakery, Counter Service's business in bill payment services, CP Retaillink's business in distribution and maintenance services for retailing equipment, as well as revenue from other subsidiaries.

1.2.2 Product Information

Convenience Store Business

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 2020, the Company has a total of 12,432 stores.

Types of 7-Eleven Stores

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

(Unit : stores)	2018	2019	2020	No. of new store openings in 2020
Corporate Stores	4,894	5,215	5,685	470
Store Business Partner Stores	5,336	5,687	5,919	232
Sub-area License Stores	758	810	828	18
Total	10,988	11,712	12,432	720

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 regularly sends a team to advise new management techniques. SBP can either choose a new location or an existing store. In case a SBP has his own location, the Company will help with the feasibility study without any charges. The term of the SBP 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 provinces. The Company will provide assistance and support under the agreed conditions.

Market and Competition

Product Mix in 7-Eleven Stores

The Company's major products are categorized into two groups. The distribution of daily-life consumer products comprise foods and beverage, accounting for approximately 71 percent, 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 29 percent, mainly including personal care products and household products, etc.

The rapid expansion of technology and the outbreak of COVID-19 has transformed consumer behavior. With increasingly fast-paced lifestyles, people are demanding ever more convenience and speed from their products and services. In order to satisfy the needs of customers with different lifestyles across the country, the Company's strategic direction is to shift from being a "convenience food store" to an "all-convenience store."

Moreover, the Company is continuously adapting its strategic plans to reflect the ever-changing market. This means developing its products and services to meet changing consumer needs, especially with regards to making payments and orders more convenient. By expanding its channels of access, the Company is able to not only maintain its existing customer base, but expand to new groups of customers. Under the concept of a convenient, one-for-all touch-point for consumers, 7-Eleven products can now be accessed through vending machines located in its stores as well as through online platforms such as ALL Online, available via 7-Eleven.TH Application ShopAt24. On-demand delivery is also available via Line or the 7-delivery application, where customers can choose to receive their products at their chosen destination or at a 7-Eleven store. At the same time, with today's increasingly cashless society, the Company has provided more payment options for customers, including via mobile phone, electronic wallets in applications such as True Money Wallet, and credit card. Digital marketing and promotional activities are easily accessible via mobile applications. To keep customers coming back, the Company has ALL Member, a loyalty program for transactions at 7-Eleven stores and C.P. Group companies.

The Company also recognizes consumer concerns and needs with regards to health and hygiene products and services. For customers who do not want to wait in line, the Company has provided automatic paying machines in 7-Eleven stores, which makes the payment process much more touch-free and convenient. Some 7-Eleven stores also offer an Eat Well Corner, where fresh fruits, vegetables, herbs, and a range of selected health products are sold. To further expand its range of health and beauty products, the Company has established the dedicated company ALL Guardian Co., Ltd.

Nature of Customers

Presently, the Company has more than 12,400 7-Eleven branches offering convenient services to customers. Due to changing consumer behavior and lifestyles, the Company now provides access to products and services through both offline and new online platforms and social media channels. Notably, the Company's customers are truly diverse, with different ages, genders, and jobs. 7-Eleven receives an average of more than 11 million store visitors per day nationwide. At present, 7-Eleven has more than 40 million user accounts on its online customer channels, which includes its website, application, social media channels, and other communication channels.

Although the Company has a very diverse group of customers, it is determined to continuously study and understand all its customers at all touch-points, offline and online. The Company believes that customer insights can be collected from every step of the consumer journey, from before sales to the decision-making process to sales to after-sales. Customers behave differently depending on their lifestyles, where they are located, and even depending on different times, such as daytime, nighttime, working hours, holidays, or during times with events in the area. Therefore, the Company recognizes the importance of following through with the overall direction of their marketing plan, ensuring that the products and services in 7-Eleven stores are high-quality, up to speed with the market, and fit with customers in different locations. Each visit to a 7-Eleven store should satisfy customer needs. To do this, the Company believes in gathering customer insights from every store visit, being there at the right time, at the right place to capture customers' hearts, deliver great value and experiences, transforming all into lifetime customers of 7-Eleven.

Strengths and Management Excellence

For over 30 years, 7-Eleven stores have been a part of Thai consumers' lives, with a network of more than 12,400 stores in every community across the country. The company also expects that 7-Eleven stores can serve customer daily life broadly. This causes the Company to have the most market shares in retail chain of convenience store. In 2020, the Company has expanded another 720 stores. The total stores in Bangkok and its vicinities are accounting for 44 percent and those in provincial areas are accounting for 56 percent. The Company has also developed and renovated existing stores to keep abreast of modernity while maintained the quality of its new store growth. 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. New store format initiates to match with customer lifestyle such as, stand-alone format with larger selling space and vending machines. 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 and Muslim tourists, expatriates working in Thailand, and etc.

In 2020, the Company met with business challenges due to COVID-19. Under this new normal, consumer behavior changed drastically, with people observing social distancing guidelines and using more online and delivery services to buy products. People also visited stores less frequently. With the changing role of stores in this challenging situation, the Company was proactive in establishing a viable short- and long-term strategy to move the business forward. The Company saw the importance of connecting offline and online channels, setting down a stable foundation for the business. Moreover, the Company was able to capitalize on its assets, such as speed, quality, and other strengths and resources whilst coming up with new business innovations for ALL Online and the 7-Delivery application. Different channels and platforms were carefully integrated to fit various products, situations, and customer groups. Sales made through new channels helped the Company's business expand continuously. The Company's efforts resulted in great customer feedback, successfully satisfying customer needs and delivering new dimensions of experience through every sale and service, anywhere, anytime. Ultimately, the Company's retail ecosystem shows a seamlessly connected network of offline and online channels.

Another strength of the Company is a large base of customers. 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 change in a timely manner and in line with each group of customer behavior in each location. Presently, customers do not require just convenience and speed. They also seek distinction in products and services, being motivated by factors such as value, fun, and novelty. Thus, the Company is committed to satisfying the specific needs of each group of customers and individuals. Moreover, the Company has a business edge in its skilled human resources. This combines with the Company's employee's strengths including ability, various experiences, and continuous development especially the skills needed for the changes. 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 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 together with the global 7-Eleven network, enhances the capability and efficiency in managing 7-Eleven stores by sharing knowledge and best practices among each other. Meanwhile, the Company has also extended alliance network to government agencies, private companies, as well as educational institution to gain business knowledge and know customer's demand thereafter the Company can offer products and services with good quality, good price, and differentiation which enhances sales opportunity.

Additionally, the Company has its own large distribution centers throughout the country as well as modern, efficient management system, ensuring store branches receive goods completely in a timely manner and prevent from losing sales opportunity. Hereby, the Company is a retailer owning the largest distribution center area in the country.

With the strengths and management excellence mentioned above, the Company has shown that it is able to not only do great business, but is also able to take into account the interests of all of its stakeholders throughout the value chain, including trade and business partners. Thus, the Company is confident in its ability to expand on opportunities, offering convenience and improving people's quality of lives for a happier society for all.

Market and Competition of the Convenience Store Business

The Thai economy has been showing signs of stagnation since 2019, growing at only 2.4 percent, lower than the expected rate. Due to COVID-19, the economy is speculated to contract at minus 6 percent in 2020. The effects of the coronavirus are expected to be widespread and continuous throughout 2020. The service sector, especially the travel and tourism sector, is expected to slow down significantly. Due to last year's trade wars, exports, a key driver of Thailand's economy, have already declined. At the same time, factors such as the water and weather crisis are affecting incomes both in and outside the agricultural sector, which in turn affects business and employment. In 2020, the unemployment rate is expected to be at 2 percent, higher than the normal rate of 1 percent. All in all, these aforementioned factors are expected to impact people's income, purchasing power, and spending confidence, even whilst households retain a high level of debt, both at present and into the future.

Therefore, economic stimulus measures, especially those related to travel and shopping, will be used to help increase people's purchasing power, stimulate spending, and decrease people's cost of living. To support

small entrepreneurs and other affected businesses, the government has come up with economic stimulus programs such as the “State Welfare Card” project and the “We Will Not Leave One Another” project. In the latter project, laborers, temporary laborers, and the self-employed who are not covered by the social security system are given subsidies of 5,000 Baht for a period of three months. In the “Half-half Project,” the public has the right to pay half the cost when spending at participating vendors while the government subsidizes the other half. The “Great Shopping, Great Returns” project helps to reduce income tax for people. Other economic stimulus measures include measures that help small farmers and the agricultural sector suffering from drought, measures that reduce costs of living with regards to water and electricity bills, and measures that support domestic tourism (“We Travel Together” project). All of these measures were designed to help sustain the economy and maintain employment levels within the manufacturing and service sectors.

The year 2020 was the most challenging one for Thai retailers. Economic slowdown, decreased purchasing power, and COVID-19 have ushered in rapid changes in consumer behavior. To be clear, consumers did not completely change their lifestyles, instead of adding other behaviors into their way of life. In the midst of these changes, retailers needed to adapt how they do business. With less customers coming to shop in-store and other shopping behaviors under the new normal standard, speed, convenience, information accessibility, practical equipment, and more options for transactions at any time, any place became ever more important. Thus, the Company has been proactive in transforming its online platform into a sales platform that can continue to satisfy customer needs. Not only retailers, but manufacturers and the whole business sector will also need to adapt their services to the market at this crucial time, connecting offline and online channels to deliver products directly to consumers, faster and more efficiently. The overall Thai retail business in 2020 is expected to contract by 6 percent, with a total value of approximately 37.5 percent with a proportion of 6 percent to Thai retail business. (Kasikorn Research and Euromonitor)

In any case, the store remains the Company’s main business retail channel. In 2020, there were a total of 19,353 convenience stores in the “Chain Store” category, with an increase of 1,113 stores. The majority of these new stores were a result of store expansions and the addition of new 7-Eleven concept stores. Store expansions by retailers primarily focused on expanding into secondary cities and on improving and modernizing existing stores to respond to the changing behaviors of consumers, including by integrating technologies to develop new models and channels for accessing goods and services, payment methods, and for delivering products faster and more efficiently using a mixture of both offline and online stores.

Moreover, in 2020, CPALL continued to retain around a 64 percent market share in the number of convenience stores. This was followed by Tesco Lotus Express and Family Mart, which had a 9 percent and 6 percent share, respectively.

(Unit : stores)	2018	2019	2020
Stand alone convenience stores	14,237	15,066	16,082
7-Eleven stores	9,414	9,998	10,608
Others	4,823	5,068	5,474
Convenience stores in gas stations	2,978	3,174	3,271
7-Eleven stores	1,574	1,714	1,824
Others	1,404	1,460	1,447
Total Convenience stores	17,205	18,240	19,353

Remark : Major convenience stores in chain store format

Source : Compilation by CP All Plc

The Thai economy is expected to recover in 2021 due to the speculated development of a coronavirus vaccine, enabling domestic and foreign business to go about business as normal. The National Economic and Social Development Council forecasts economic growth of 3.5 percent–4.5 percent in 2021.

In any case, the retail business will still need to overcome significant challenges to overcome the severe economic slowdown in 2021. With consumers more familiar with technological transactions and more considerate of factors of quality and safety, businesses will need to keep up to speed. Specifically, businesses need to become technology experts to deliver convenient, value-added experiences for consumers, whether during purchase, payment, or when receiving orders. Furthermore, technology can help convenience transactions in new sales channels, providing consumers with a variety of transaction options. Important challenges to the retail business include the presence of more diverse purchasing options for consumers, from Direct to Consumer (D2C) sales to international online sales, and Consumer to Consumer (C2C) sales. Retailers must therefore adapt and devise strategies to secure their “Share of Wallet” through both offline and online channels in response to the increasingly popular channels of e-commerce and social commerce. Furthermore, the retailers should move to accelerate development of their supporting industries, such as logistics as well as areas that are directly linked to consumers. Last-mile delivery is especially crucial, for instance, for parcels such as food and supplies. A competitive retail ecosystem equipped with strong partnerships with various businesses will help retail businesses assimilate into their customers’ daily lives.

Sourcing Products and Services

The global spread of COVID-19 has dramatically affected Thailand’s economy like never before. From March 2020, preventive measures issued by the Thai government and major public health agencies have changed the Company’s business strategy and direction. Amongst the changes implemented by the Company include different or shorter service hours, increased screening measures, adaptive in-store formats and shipping methods, and reduced close-contact processes. Rigorously executed, the Company’s proactive measures are now held as a role model for retail businesses in the market. Additionally, COVID-19 also directly impacted the Company’s customers, namely foreign tourists. Due to public health measures in different countries, including Thailand, tourists have been unable to travel to Thailand as normal. Before the pandemic, it was speculated that 40 million tourists would have visited Thailand in 2020. The severe impact of COVID-19 has been especially pronounced in provinces that are tourist destinations. At the same time, Thai customer behavior has also changed and impacted the economy, with many Thais carrying out self-quarantine or working from home. Under this new normal, consumer behavior is recognized to have undergone a channel shift, product shift, and value shift. Transaction channels such as online commerce, digital payments, and on-demand delivery expanded exponentially. Products for in-home consumption, such as those sold in bulk or fresh food products, have also become increasingly in demand. Additionally, more and more customers have started to plan in advance what to buy even as they continue to demand good value and prices.

The heavy impact on retail businesses by these sudden changes and digital disruptions have been a catalyst for the Company to adjust its strategies. Amongst these changes include internal organizational management shifts and endeavors to create a more seamlessly connected customer experience. Furthermore, the retail ecosystem has been renovated to fit with consumers’ modern lifestyles, where payment and delivery of products are faster and more convenient. These changes will enhance the Company’s competitiveness in an increasingly competitive market.

Likewise, CP ALL Public Company Limited managed these changes by studying consumers’ views in various areas, determining short- and long-term strategies that encompass and align with the lifestyle needs and expectations of current and future consumers. This will allow the Company to manage intensifying

competition, retain, and increase its customer base in existing markets, as well as expand the market to include new target customer groups – ultimately to generate business growth. Likewise, the Company also enhanced its management efficiency and improved organizational work structures by integrating technologies to increase agility, flexibility and efficiency, particularly in terms of analyzing and processing data, managing products and costs, and improving work processes for greater speed and quality. What’s critical is that the Company adopts a customer-centric approach and recognizes the importance of all stakeholder groups in implementing these strategies and measures, and thereby ensuring sustainable growth into the future. The Company also uses new business platforms and advanced digital technology for business analysis and evaluation, such as artificial intelligence (AI) to provide customers with more convenience as well as improved service quality.

Strategy to Respond to Consumer Changes and Achieve Sustainable Growth

1. Strategy to Create Online-to-Offline Channels (O2O)

The Company recognizes the important role that technology plays in consumers’ daily lives and shopping behavior. In order to quickly adapt to meet changing business goals due to COVID-19, the Company has strategically moved towards new service models. For instance, the Company understands that a physical store alone may not be enough to satisfy the needs of modern customers. Therefore, the Company is dedicated to developing its processes and information technology systems to manage both of online and offline distribution channels. Such a move falls in line with the Company’s vision to be an “all-convenience” retailer, under its slogans of “One-stop Convenience” and “Convenient Buying, Paying, and Receiving.” Thus, in recognition of customers’ digital lifestyles, the Company is determined to provide new, more convenient experiences for its more than 14 million customers every day through every transaction or service, anywhere, any time.

In terms of “convenience,” the Company’s strategy is based on O2O, which stands for offline-to-online business. Under the O2O platform, the Company’s strong point, offline channels such as physical 7-Eleven stores, are integrated with e-commerce ones. Through the ALL Online platform, products are sold online, through website, a mobile application and through Online @Store, an online channel located right at store branches. Customers also have more transaction options, including social media, catalog, and phone. Therefore, customers are able to order products in advance and choose to either pick up their products in person at 7-Eleven 24 hours a day, choose to have them delivered at home, or choose on-demand delivery. Products include everything from food to drinks to snacks to other various items in 7-Eleven. These new business and service models are how the Company is capitalizing on its strength, using the largest store network spread all across the country to improve its online channels for new, better customer experiences that will differentiate the Company from other competitors in the retail business.

Furthermore, the Company understands that modern lifestyles coupled with the growth of e-commerce have resulted in an enormous demand for parcel delivery. With its strength being a nationwide store presence, open 24 hours a day, the Company has launched a parcel delivery service in collaboration with All Now Logistics Company Limited. Established under the name “SPEED-D,” customers can now order for parcels to be delivered to any 7-Eleven store. Customers can ensure the safety of their parcels as the service includes a tracking system and employees available 24 hours a day. Customers can also choose where they want to receive their parcels, whether at home or at more than 12,400 7-Eleven stores all throughout the country. With a friendly price, “SPEED-D” has elevated 7-Eleven’s reputation for all-around convenience.

In an increasingly digital and cashless society, the Company has also developed a whole ecosystem to support the O2O business, namely by providing a variety of payment options for goods and services. Customers can make mobile payments through a platform in 7-Eleven stores via True Money Wallet or other service providers. Credit card payment channels are also available. With no minimum spending limit, customer spending is convenient and stimulated, resulting in higher spending per bill compared to payment by cash. In the past year, digital payments through stores

and O2O channels have grown exponentially as people avoided the risk of exposure to money during the COVID-19 pandemic. Furthermore, the Company is accelerating to provide financial services through its 7-Eleven stores. 7-Eleven stores will be able to act as banking agencies, providing counter services in cooperation with leading public and private banks nationwide. Most conveniently, customers with transaction needs can use these banking services after normal bank business hours; in fact, they can visit 7-Eleven for banking services 24 hours a day.

As mentioned above, the Company's strategy in the midst of a rapidly transformed market has shown that it is wholly capable of satisfying customer needs, evidenced through the increased volume of orders made through O2O and delivery services during the COVID-19 pandemic.

2. Customer Strategy: Relating to All Lifestyles

The Company recognizes the strategic importance of building and maintaining customer relationships in order to create lifetime customers, those who continue to use 7-Eleven services all throughout their lives. Therefore, the Company has developed various communication channels that are consistent with customers' communication behavior. Especially important are online channels of communication, including social media channels such as Facebook, the 7-Eleven Thailand mobile application, Line, Instagram, Twitter, and YouTube. To date, 7-Eleven's online presence has a following of more than 40 million people. The Company also uses these online channels to do digital marketing, such as distributing electronic coupons, or e-coupons that can be used as discounts for products at 7-Eleven stores.

In addition, the Company also strives to strengthen its membership program, "ALL Member" through the program's mobile application. Launched in 2019, ALL Member currently has approximately 12 million members in the system. In addition to being used to communicate with customers, the Company uses ALL Member to provide members with valuable benefits and privileges. As an ALL Member, customers can earn points for shopping, using them in place of cash, buy products at special prices, or exchange points for various premium products. ALL Members also have the special privilege of participating in sweepstakes, other fun activities, and cashing in on exclusive promotional discounts. The Company's sales records show that ALL Members have a significantly higher purchase volume and frequency of visits at 7-Eleven than general customers. Therefore, the Company plans to continue with the ALL Member program, expanding its membership so that more customers can truly benefit from the program.

With its continuous development of communication channels, especially on the Internet and various social media channels, the Company has had ample opportunity to listen to customer voices and feedback. These valuable opportunities, used in parallel with other research methods, such as surveys and customer observations, coupled with data analytics, have given the Company an edge in developing an in-depth understanding of consumer behavior. With this data, the Company is able to offer customized offerings to customers as well as design and adjust its work processes to provide even more efficient services. Up to speed with today's digital society, the Company has a strong database to use to find more business opportunities to satisfy customer needs in the future.

3. Store Expansion and Development Strategy: Satisfying Customer Needs in Different Areas

Although online trading has become ever more prevalent, the Company still recognizes the strategic importance of physical store expansion in high-potential locations to serve the needs of growing urban communities and consumer demands. In 2020, the Company successfully met its goal of establishing 700 new 7-Eleven stores, even though some store construction was affected by COVID-19. Presently, the Company's strategy in the next recent years is to expand its stores to high-potential and rapidly growing sub-districts. This expansion is to follow the development of transportation infrastructure, with stores strategically center around train and sky-train routes. In addition, the Company's strategy is to form partnerships with various business groups, such as real estate companies, hospital networks, and educational institutions in order to place 7-Eleven stores in highly strategic, high-potential locations such as condominiums, within hospitals or office buildings, universities, and locations with high-income customers.

Furthermore, with the expansion of cities and more customers using private cars, the Company plans to develop more stand-alone stores. These stand-alone stores would have more parking spaces, a bigger in-store area, and more product variety. As of 2020, the Company has a total of more than 5,400 stand-alone 7-Eleven stores nationwide. These stand-alone stores are different from normal stores in that they feature more household consumer products for in-home consumption, such as products sold in bulk, which has become popular amongst consumers since the advent of COVID-19. Additionally, these larger stores offer more fresh food products, a coffee and fresh bakery corner under the brand names “All Café” and “Kudsan,” as well as ready-to-eat fresh food packages that customers can easily assemble into a meal. Certain large 7-Eleven stores also provide a dining area. Other new service features in 7-Eleven stores include bank agent services and the “SPEED-D” parcel delivery service. As shown, this store expansion strategy is in line with the Company’s O2O strategy as it also supports on-demand delivery services within the store’s radius, further making people’s lives more convenient and growing business opportunities.

In addition, the Company is focused on exploring innovative processes and tools to integrate more technology into its stores as it manages its network of more than 12,400 7-Eleven stores nationwide. With the integration of useful innovations, convenient technology, and practical equipment, 7-Eleven stores can become even more efficient and modern, equipped to deliver convenient shopping experiences that seamlessly fits with new-generation lifestyles in this digital age society. Presently, the Company has adopted various technologies in certain stores that make them more energy-saving and environmentally friendly. The 7-Eleven Tara Pattaya store is the perfect example of a model energy-saving store. Here, a solar roof is installed, used to generate more than 50 percent of renewable energy. The store also features a charging station for electric cars, double glass walls to reduce heat transfers, and an LED display that shows the energy consumption of electrical equipment used in the store in realtime. Last year, the 7-Eleven Tara Pattaya store won the second runner-up award in the Best Practices of Green Building in the Small & Medium category. It was also the sole company in Thailand to receive an award in this category from the ASEAN Energy Awards, organized by the ASEAN Center for Energy (ACE).

Furthermore, the Company offers vending machines that sell food, beverages, and everyday items in areas without stores. In 2020, the Company has expanded to provide more than 2,500 vending machines nationwide. Customers are able to choose from a variety of payment options at these vending machines. To date, the Company has received very positive feedback from customers regarding these vending machines, showing that it is able to satisfy the needs of its customers’ modern lifestyles.

4. Product Strategy, Create a 24-hour Convenience Food Store and Respond to the Health and Hygiene Needs of the Thai People

The Company focuses on researching and developing an understanding of consumer behavior – or “Customer Insights” – as this can be used to source and develop products in line with market direction, societal changes, as well as the needs and behaviors of consumers from different groups and locations. In turn, customers will be able to receive products and services that directly address their livelihood needs and problems in a much more comprehensive way. In line with the slogan “Hungry? Order Now!” and the O2O strategic platform, the Company’s key merchandising strategy is to establish 7-Eleven as the number one food and beverage destination that provides on-demand delivery services. Therefore, the Company has expanded its ready-to-eat (RTE) offerings, such as adding more savory food products, whether as individual or side dishes. In addition, there are now also more bakery products, Thai desserts, snack-meals, ready-to-eat pre-cut fruits and vegetables, and fresh drinks at 7-Eleven stores. With such a variety of choices, customers can consume up to seven meals a day. Products selected for 7-Eleven stores are not only distinct from competitors’, but delicious and full of nutritional benefits. In recognition of health-conscious customers, Thailand’s aging society, and the overall health and well-being of the Thai people, 7-Eleven stores also now feature low-calorie products or products with reduced salt or sugar.

In addition to its deliciousness and nutritional value, the Company also recognizes the importance of food safety. Accordingly, it has focused its efforts on increasing the efficiency and traceability of its supply chain system, ensuring superior results all the way from manufacturers to logistics to store management in order to deliver fresh, quality products to customers seven days a week. Amidst the COVID-19 pandemic, the Company has also taken proactive steps to partner with CPRAM Company Limited, a major developer and producer of 7-Eleven's to produce bento boxes with extra quantity and special value prices. Created under the concept "full value," these bento boxes were meant to alleviate the costs of living for customers during the pandemic. Well-received, the Company has expanded upon this "full value" concept amongst its other manufacturers in other product categories, such as bakery and beverages.

Besides ready-to-eat (RTE) products, the Company also endeavors to offer freshly baked, freshly brewed, and freshly cooked food and beverage products that can be served and consumed in-store as it grows on-demand delivery services. For instance, the Company now has more than 9,000 7-Eleven stores with "All Café," its fresh coffee corners, and "Kudsan," its fresh bakery corner. Of these, there are 2,000 stores providing fresh bakery products. Approximately 370 stores in Bangkok and other provinces now feature Food Place, which offers fresh, ready-to-eat food featuring a wide variety of convenient, clean, and freshly prepared quality dishes that can be adjusted to suit individual needs. Stores with these special features are placed strategically in locations where people might be hard-pressed to find food from other stores that are not open at needed times, such as around schools, markets, offices, hospitals, residential areas, and vehicle rest stops.

In recognition of their customers who are becoming more health- and beauty-conscious as well as Thailand's aging society, the Company has added Eat Well Corner, an area in 7-Eleven stores offer health products in 775 branches nationwide. Eat Well Corner features a range of fresh fruits, vegetables, herbs, and health products. 7-Eleven stores with Eat Well Corner are strategically placed in locations where people are likely to look for healthy products, such as within hospitals. Due to COVID-19, the year 2020 has seen more consumers becoming more concerned about taking good care of their health. As a result, sales of health products have grown whilst new product lines, such as those from functional drinks or vitamin and mineral drinks have been added.

Presently, beauty products have also increased in demand. In response to this need, the Company collaborated with Dairy Farm International Holdings Company Limited to launch a range of premium products under the brand name "All Guardian," Singapore's number one health and beauty store. For All Guardian, the Company has selected products that have been tested by dermatologists from five popular brands in Asia, namely Guardian, Kusabana, Derma 365, Botaneco Garden, and Happy Mask to satisfy customer needs through its 7-Eleven stores, drug stores, Xta Plus, and ALL Online channels.

Furthermore, the Company has also added generic home medicine and other health products in its "eXta" section in 7-Eleven stores. Presently, eXta is featured in 10,400 7-Eleven stores nationwide. eXta offers a range of medicines, dietary supplements, cosmetic medicines, medical equipment, and other health products. With eXta's slogan "Good health, Anywhere, Any time," everyone can more easily access healthy products for better health. Additionally, the Company is also accelerating the expansion of "eXta Plus", its stand-alone stores with pharmacists available for health-related consultations. Currently, there are approximately 309 eXta Plus stores. The Company is also focused on finding good store business partners by emphasizing the development and training of in-store pharmacists and other store personnel. To meet the needs of health-conscious customers who live in remote areas and do not want to travel to the store, in 2020, the Company developed "All Pharma See," an application that provides free consultations to pharmacists on health and drug use. On All Pharma See, customers can also search for the nearest pharmacy, pre-order health products, and read interesting health-related content.

5. Sustainability Strategy, Operating Business on the Principles of Good Governance and Corporate Citizen

The Company is committed to operating under its vision of sustainability: “To be an organization that provides convenience for the community and society to have good lives and lots of happiness.” This vision of sustainability comprises important factors of consideration such as the economy, society, the environment, and good governance. In careful consideration of all stakeholders, the Company is dedicated to good governance, the society, and the environment for the benefit of the country underlying with the principles of good governance – while also focusing on transparency, anti-corruption, and embedding a consciousness amongst all employees on honesty, ethics, integrity, and consideration for communities, society and the environment. The Company works on Creating Shared Value (CSV) for society and the organization in all work processes. For over 30 years, CPALL has been committed to becoming a sustainable organization under the vision of “Giving and Sharing Opportunities,” while recognizing stakeholders in all areas of development, including economic, social, and environmental. As a result, it has been accepted and recognized for these efforts by a large number of domestic and international agencies and institutions.

In 2020, the Company was selected as a member of the Dow Jones Sustainability Indices (DJSI) due to a positive business performance evaluation, measured against the sustainability development guidelines of many world-leading companies. This year, the Company was also included in the S&P Dow Jones Indices, in RobecoSam in the Food & Staples Retailing business category, in the World Index for the third consecutive year (2018 – 2020), and in the Emerging Markets Index for the fourth consecutive year (2017 – 2020). The Company’s scores reflected its outstanding performance in many categories, especially with regards to its responsible supply chain management. In accordance with its commitment to sustainable development, the Company is dedicated to continuously develop the potential of its small and medium-sized enterprises (SMEs). In reducing such risks in the supply chain, the Company believes that it can grow sustainably together with its business partners.

In addition to the DJSI, the Company has also been selected as a member of the FTSE4Good Index in the Food & Drug Retailers category, an internationally recognized world index hosted by FTSE Russell for the third year in a row. The Company is pleased to announce that it achieved top scores, from 1 to 5, when measured against other leading companies worldwide in every dimension, whether it be related to the environment, the sustainable use of resources, the prevention of pollution, or the taking of proactive measures towards climate change. By creating social value throughout its supply chain, behaving responsibly towards customers, respecting human rights, and implementing good governance, the Company’s strong regulatory actions have been internationally recognized.

In terms of governance, the Company was also placed in the Excellent category, achieving a five-star rating for its corporate governance (CG) from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand (SET). This evaluation panel assessed the Corporate Governance Report of Thai Listed Companies (CGR) for the year 2020, using evaluation criteria developed from principles of good corporate governance from the Organization for Economic Cooperation and Development (OECD). Such an achievement demonstrates the Company’s determination to continue to operate according to standards of good corporate governance, where its focus not only lies with business operations, but also with stakeholders for sustainable growth. Such a strategy is in line with the international direction of corporate governance, where shareholder-centric businesses are shifting its emphasis to become more stakeholder-centric, and even customer-centric. Thus, the Company’s international recognition is a testament to its continuing competitiveness and credibility amongst investors both in Thailand and abroad.

In terms of key sustainability performance over the past year, examples include the “Reduce and Stop Use of Plastic Bags” Project at all 7-Eleven stores throughout the country. The Company has cooperated with the government and general retail business nationwide to refrain from distributing and using single-use plastic bags, instead of turning to use cloth bags or more durable plastic bags that are able to be reused multiple times. With positive feedback, the Company moved to continue to instill environmental social consciousness amongst Thai youths. To show its serious intention to solve the problem of waste management, the Company has signed a memorandum of understanding (MOU)

with 54 CONNEXT ED pilot schools to cooperate in the “Seedlings without Tanks” community project. The project successfully reduced the amount of waste generated in these schools from 15 tons per month to only 2 kilograms per month. With this, the Company is positive that it can help contribute to solving the problem of waste and help conserve the environment in a concrete, practical, and sustainable manner. The Company plans to expand on this community project with 392 CONNEXT ED schools by 2022. Apart from that, the Company also looked for ways to recycle leftover materials and plastic waste, and to “upcycle” projects in line with Circular Economy principles.

To support Thailand’s retail business in 2020, the Company also recognizes the importance of providing educational opportunities and developing quality personnel. To date, the Company has more than 54,000 scholarships totaling over 5,100 million baht, awarded through Panyapiwat Technological College (PAT), the Panyapiwat Institute of Management (PIM), and more than 20 Panyapiwat learning centers nationwide. Students are given opportunities to learn through a bilateral education system, where they are subject to in-classroom learning along with practical training. The Company’s initiatives are in collaboration with the Office of the Vocational Education Commission (OVEC), where Panyapiwat Technological College (PAT) offers vocational certificates and the Panyapiwat Institute of Management (PIM) offers bachelor’s, master’s, and doctorate degrees, comprising of both Thai and international programs. The Company also provides fully-funded scholarships for Rajaprachanukroh School students, who are often poor or ethnic minorities lacking opportunities. Upon graduation from this school, students are immediately accepted for work. With this, the Company believes in providing good education opportunities for the good of Thai society.

In the midst of the COVID-19 pandemic, many Thais lost their jobs. To help support businesses, alleviate economic problems, and offer relief to Thais, the Company has hired 50,534 additional people in 2020. In addition, in recognizing the importance of supporting the disadvantaged, the Company has also initiated the “Giving Ambassadors: From ‘Care’ to ‘Share’” project. In collaboration with artists, character designers, and organizations for people with disabilities, the Company jointly developed and designed products crafted by the disabled to have a more modern, interesting look. Sold as souvenirs or New Year’s gifts, the income generated by these products were forwarded back to four participating organizations for the disabled, namely the Unite for Disabled People in Udon Thani, the Association for Sustainable Integration for Persons with Disabilities in Tambon Pak Thok, Phitsanulok, the Ang Thong Disabled Persons Association in Ang Thong, and the Phra Pradaeng Occupational Development Center in Samut Prakan.

In addition to the principal strategies above, the Company also focuses on laying a strong foundation and building up supportive strategies in parallel to foster secure and sustainable business growth. Strategies include the following.

Logistics and Supply Chain Development for Product Delivery Optimization and O2O Platform Expansion

The Company has continued its efforts to improve its value chain. The Company’s entire logistics and supply chain system must be developed in order to support the O2O platform, a new dimension of retail business. This development will help create great customer experiences, ensuring that customers who purchase products from the Company’s multiple channels, including website, mobile applications, and ALL Online receive their products on time, whether they choose to pick up the product from the store or have it delivered to their home. In parallel, the Company’s logistics and supply chain systems must support the expansion of stores nationwide. This support will help stores keep well-stocked, taking advantage of sales opportunities whilst maintaining product quality to deliver only the best to customers.

In terms of developing the logistics system, as of 2020, the Company has a total of 11 large consumer goods distribution centers across Thailand, and is considered to be the retailer with the highest number of distribution centers in the country. The Company places importance on having a sufficient number of distribution centers, in key locations, which will be able to support a wider range of products by type, for instance, centers for dried goods, frozen goods, and bakery products. Moreover, the Company focuses on having an organized product warehouse management

system using systems and technologies that support new models of service and increased sales channels. This directly supports the O2O approach to sales and deliveries, as there will be an increase in in-store and home pick-ups and deliveries which supported up to 25,000 orders per day. At the same time, CPALL looks towards improving the efficiency and effectiveness of the work processes of all its supply chain stakeholders by using efficient, time-saving, and modern management systems. Examples include the use of automation to manage costs, reduce dead loss, and monitor and report work flows in order to deliver products along the logistics line correctly and precisely.

As for supply chain management, the Company saw significant improvements owing to its efforts in developing a policy and guidelines for suppliers, which align with international standards, especially our suppliers who are SMEs. Having this in place allows the Company to fully meet suppliers' expectations through proper communications, trainings, and supplier risk assessments. Supplier assessment results are used as input to develop improvement programs, inform supplier monitoring and auditing, and identify improvement opportunities in various areas to support the sustainable growth and prosperity of all suppliers alongside the Company. Other benefits of such an approach include enhancing efficiency and ensuring that suppliers uphold high ethical standards. Finally, the Company developed an encompassing Supplier Code of Conduct and Guideline in order to elevate the quality and safety of products, traceability as well as supporting an expansion of product assortment in food, beverage and etc. which will help to build trust among customers and the general public regarding the standards and safety of all products sold in 7-Eleven stores across the country.

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 to 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.

Since the onset of COVID-19 at the beginning of 2020, the Company has been well-aware of the difficulties faced by their small trade partners, such as small and medium enterprises (SMEs) and farmer groups. Therefore, the Company is committed to supporting SME products, especially agricultural and processed agricultural products so that farmers can grow sustainably and have better lives. The Company's support strategy is to serve as distribution channels for SMEs that are able to produce popular, high-quality products, such as processed fruits, beverages, bakery, and beauty items. With 7-Eleven, these SMEs' products can be easily accessed by customers, whether through the Company's 24Shopping website (www.ShopAt24.com), applications, or the Twenty-Four magazine catalog, featuring more than 20,000 items. Additionally, the Company supports SMEs by helping to provide product development consultations. In collaboration with government agencies and the Thai Chamber of Commerce, the Company initiated the Business Accelerator program, which assesses whether products are ready for online verification. The program also functions as a vast database of insights on 7-Eleven product selections. Thus, the Company is able to offer advice on product strengths and weaknesses before it enters the market. Such advantages afford opportunities for SMEs, members of the Thai Chamber of Commerce, and the Company's networks nationwide. Moreover, the Company is able to offer business management expertise in crisis situations. All of these efforts are in line with the Company's commitment to "Giving and Sharing Opportunities for All."

Besides, the Company reinforces new creative ideas to fabricate valuable 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 value added for the benefit of the economy, the society and the nation.

Transitioning Businesses to Digital: Developing Information Technology Infrastructure, Reforming People, and Transforming Work

Today, people and IT infrastructure are considered critical keys to excellent business operations and sustainable growth. Therefore, the Company is committed to human development, always doing business in line with its corporate philosophy of “We desire smiles from our customers.” To this end, the Company realizes that the COVID-19 pandemic has affected many people’s emotions and lifestyles, including those of an essential organizational driving force—its employees. In response to this issue, the Company has established clear management policies to assist its people in these times of crisis. For instance, the Company has policies with regards to employee hygiene, a work-from-home (WFH) policy, and implements social distancing measures in office buildings and stores for the safety of all employees and customers.

To accommodate the rapidly changing business environment, the Company is dedicated to accelerating organizational transformation. Its main strategy in doing this is to apply the concept of “agility,” where work processes are improved to become more efficient, concise, and fast—agile. This organizational transformation is also intended to reduce multistage work processes and increase seamless cross-functional collaborations, laying an atmosphere conducive to good teamwork. In this way, the Company aims to become a “4.0 organization,” one that is up to speed with changes in this modern world.

In addition, the Company also recognizes the importance of understanding the needs of its employees of different ages. The Company believes that such insights will help employees of all levels be better able to work together in unity. Furthermore, the Company has an annual corporate–employee relationship survey where it has the opportunity to listen to employees’ opinions and recommendations. The results from this survey have been used to further improve the Company’s working processes under the concepts of “happy workplace” and “flexible working hours.” These concepts were identified to respond to the needs of the new generation, primarily Gen-Ys and Gen-Zs, who have now become a core force of in the organization. The Company also improved upon various employee benefits and career path planning for each employee level, and organized regular engagement activities with employees to help them feel engaged with and proud of the organization over the long term. In turn, this will reflect upon how employees deliver value and happy service to customers.

To accommodate the expansion of new types of businesses and new trading platforms, the Company is committed to continuously develop the skills of its employees, particularly through reskilling and upskilling. Reskilling will help to equip employees with expertise in new contexts, elevate their capabilities from their existing responsibilities into new contexts, and therefore significantly increase the employee’s value in the organization. Meanwhile, upskilling involves developing employees’ skills for different types of jobs, which encompasses learning new technologies or training employees on the skills that can ultimately be used in new roles within the organization, such as digital literacy skills. In addition, the Company is focused on developing skills for specific vocations in newly expanding businesses, for instance, to help employees become Coffee Makers, Coffee Masters, Coffee Managers, and Food Masters (an expert in food management). This is achieved through trainings, certification exams, and a revision in compensation levels to match the level of certifications that they will receive.

Moreover, the Company is invested in developing its information technology (IT) infrastructure to support its rapidly changing business models. For instance, Robotic Process Automation (RPA), a form of business process automation technology, has been introduced to help lighten employees’ workload. With RPA, employees can not only work faster, but with a much lower probability of error. The Company has also brought in electronic systems to replace

manual processes and paper documents in its management of human resources, providing more self-service systems for employees to work more efficiently and flexibly. Additionally, the Company is exploring the potential uses of Artificial Intelligence (AI) to create new business opportunities and add value to the organization in the future.

Developing Excellence in Innovation to Become a Quality Organization and Achieve Sustainable Growth

In the midst of today's rapid changes, innovation is proving even more critical as the heart of business operations, as it creates differentiation and allows the Company to elevate the business for strong and sustainable growth. The Company is committed to supporting and driving an "Innovation Culture" within the organization, giving importance to continuous learning and supporting new, innovative ideas that can become valuable innovations, increase efficiency, and deliver the highest results for the business. The Company's objective is to encourage innovation and support innovation projects by employees within the Group, which can be shared externally for the benefit of society. This is achieved through the CPALL Innovation Days Competition and Process Excellence Award, which are organized annually. These awards serve as ways to encourage and stimulate employee participation in creating new innovations in processes, products, and business models, which can eventually become innovations that cater to the needs of customers. Another added benefit is that it promotes knowledge sharing between different businesses to integrate knowledge, thus helping to build a truly innovative organization along the path of business sustainability.

As for innovations outside of the organization, CPALL collaborates with 11 public and private sector partners across the country, such as the Office of the Minister of Science and Technology, the Thai Chamber of Commerce and Board of Trade of Thailand, the Thai Bankers Association, the Office of SMEs Promotion, as well as with research teams and university incubation hubs throughout the country, to encourage business owners to seek out innovation channels and opportunities. This enables the country to compete on the international stage and embrace the 4.0 era in a sustainable way. Another key example of CPALL's external innovation promotion is the "7 Innovation Awards," held during the "Thailand Synergy for Thai SMEs" event, which the Company has supported for 7 consecutive years. In 2020, Thai SMEs and startups received a total of 39 awards in two categories. The first category comprises awards to businesses that benefit the economy, which covers aspects of product, service, or process. The second category comprises awards to businesses that benefit society, which covers aspects of the environment, education, and corporate social responsibility (CSR). Award winners receive a plaque and certificate of honor and are provided with business expansion opportunities via the Company's many distribution channels, such as its 7-Eleven stores nationwide.

Cash and Carry Business

Types of Products or Services

Siam Makro Public Company Limited ("Makro") 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 30 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 2020, Makro had a total of 144 stores nationwide, including 79 Makro stores, 30 Makro Food Services stores, 15 Eco Plus stores, 5 Makro Foodshop stores, 1 Fresh @ makro and 7 Siam Frozenshop stores. There were 7 stores in overseas: 2 stores in Cambodia, 3 stores in India 1 store in China, and 1 store in Myanmar as well as 1 restaurant with the small retail shop of Foodservice APME in UAE. 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, United Arab Emirates, and Cambodia. It also operates other related businesses and support Makro's core business through its subsidiaries' business operation.

Nature of Customers

Currently, Makro's key 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

Makro has galvanized its efforts in preparation for the coming changes in the wholesale and retail sector. This will be achieved through the implementation of projects that focus on enhancing our operations to serve a new generation of customers and maintaining our competitiveness in the digital era. In the previous year, Makro opened 2 Digital Stores, in Ladkrabang and Ramkhamhaeng 24. At the same time, Makro ramps up the use of "Big Data" to analyze the demands of registered customers of Makro, improves the efficiency of internal processes, and develop automated systems to increase efficiency. Additionally, Makro has been developing the O2O system to cover all customer service channels – also known as Omni – Channel Sales and Services, to facilitate professional customers, including provide additional services to respond to customer needs, such as the "Pick & Pack" service, product customization services for restaurant customers, and deliveries. In addition, Makro will collaborate closely with professional customers to help them empower their businesses through various training programs, as well as new projects such as the "MRA Plus" project, and the "Makro HoReCa Academy" (MHA) project.

Apart from continuous store expansion in Thailand, Makro determines to expand its businesses to new high – potential markets, including Cambodia, India, the People's Republic of China and Myanmar, to become a regional operator in the retail and wholesale industry, focusing on a diverse range of stores that are suited to the needs of professional customers in each location. This is to increase market share from international markets where Makro's business has been operated.

For the Food Service business under the Food Service APME Business Group which operates in Thailand, Singapore, United Arab Emirates, Hong Kong, Vietnam, and Cambodia, objectives are to become a leader in premium food products and expand upon Makro's products and services. The special focus will be on the development and production of "Own Brand" products under the brands, "Carne Meats," and "Ocean Gems". This business segment will also work to create shared benefits with Makro in all countries in order to respond to customer needs, and increase the safety and quality of food products among HoReCa businesses. Finally, the Company also plans to conduct feasibility studies for opening "MAXZI" style restaurants in countries with Makro or Food Service APME operations.

(Please see additional details in Form 56-1 of Siam Makro Public Company Limited)

Assets Used in Operations

Detail is shown in Attachment 4 Assets Used in Operations

High Value Project which Taking Time to Completed that Has Not Been Yet Done

None

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group

CP ALL Public Company Limited 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 outlet 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.”), 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 ecommerce business (Twenty Four Shopping Co.,Ltd.), and etc.

In addition, during 2013 CPALL acquired Siam Makro Public Company Limited (“Makro”) operating membership-based Cash and Carry trade centers in Thailand. Later, in 2020 CPALL invested in retail business operating stores including discount stores, supercenters and hypermarkets which operate retail trading of consumer products, granting a lease of space in shopping malls and providing other services in Thailand and Malaysia (This is an indirect investment to acquired shares or economic interest of up to 40 percent of total issued shares through special purpose vehicle in order to invest in Tesco Stores (Thailand) Limited (later on changed name to Lotus’s Stores(Thailand) Limited), and Tesco stores (Malaysia) Sdn.Bhd.)



* Shareholders of True GS Co., Ltd., are CP ALL Plc., True Vision Group, Gs Home Shopping Inc. and The Mall Group Co., Ltd., having 10.00 percent, 46.80 percent, 36.14 percent and 7.06 percent shareholding respectively.

*** C.P. Retail Development Company Limited owns shareholding stake, voting right, and economic interest of Lotus's Stores (Thailand) Limited 39.84 percent, 86.88 percent, and 100 percent respectively.

Information of Subsidiaries that held by the Company more than 10 percent of total issued shares

Direct Subsidiaries

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Thai Smart Card Co., Ltd.	Providing EDC equipment service, payment of products and services through smart card	119 Tara Sathorn Tower 4 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok www.thaismartcard.co.th	99.99	Baht 1,600 million
Suksapiwat Co., Ltd.	Educational holding company	20/29 Moo 2, Ngarmwongwan Road, Bangkhen, Meung Nonthaburi, Nonthaburi	99.99	Baht 810 million
CPRAM Co., Ltd.	Manufacturing and sale of convenience foods and bakery	177 Moo 4, Pathum Thane Lat-LumKao Road, Raheang, Lat-Lumkaew, Pathum Thani www.cpram.co.th	99.99	Baht 600 million
All Corporation Limited	Investment business	119 Tara Sathorn Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok	99.99	Baht 250 million
ALL Wellness Co., Ltd.	To provide health and wellness services with innovations and digital technology, as well as giving healthcare consults by medical professionals.	119 Tara Sathorn Tower, 11 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok	99.99	Baht 176 million
Counter Service Co., Ltd.	Bill payment collection and life insurance and non-life insurance broker	119 Tara Sathorn Tower 4-6 th Floor, Soi Sathorn 5, South Sathorn Road Thungmahamek, Sathorn, Bangkok www.counterservice.co.th	99.99	Baht 100 million
24 Shopping Co., Ltd.	Catalog and e-Commerce Business	119 Tara Sathorn Building, 9-10 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok http://24shopping.co.th	99.99	Baht 30 million
CP Retailink Co., Ltd.	Sale and maintenance of retail equipment	159/30 Moo 3, Vibhavadee-Rangsit Road (Srirubsuk), Tarad-BangKhen, Laksi, Bangkok www.cpretailink.co.th	99.99	Baht 20 million
Gosoft (Thailand) Co., Ltd.	Information technology services	313 C.P. Tower 24 th Floor, Silom Road, Silom, Bang Rak, Bangkok www.gosoft.co.th	99.99	Baht 20 million
OHT Co., Ltd.	Investment business	119 Tara Sathorn Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok	99.99	Baht 12.5 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
ALL Now Management Co., Ltd.	Logistics services and distribution of merchandise services	119 Tara Sathorn Tower, 8 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok www.allnowgroup.com	99.99	Baht 2 million
All Training Co., Ltd.	In-house training & seminar services	54/1-10 Moo 2, Bang Talat, Pak kret, Nonthaburi	99.99	Baht 1 million
MAM Heart Co., Ltd.	Marketing and Advertising services	313 C.P. Tower, 26 th Floor, Silom Road, Silom, Bangruak, Bangkok	99.99	Baht 1 million
Panyatara Co., Ltd.	Training services	54/1-10 Moo 2, Bang Talat, Pak kret, Nonthaburi www.panyatara.co.th	99.99	Baht 1 million
Lotus Distribution Investment Limited	Investment business	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands	100.00	USD 310.2 million
Albuera International Limited	Investment business	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands	100.00	USD 4 million

Direct and Indirect Subsidiaries

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Siam Makro Holding (Thailand) Ltd. (Hold through the Company and OHT Co., Ltd.)	Investment business	119 Tara Sathorn Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok	99.99	Baht 1,066 million
Siam Makro Public Company Limited (Hold through the Company and Siam Makro Holding (Thailand) Ltd.)	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	1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok www.siammakro.co.th	93.08	Baht 2,400 million

Indirect Subsidiaries

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Panyapiwat Institute of Management (Hold through Suksapiwat Co., Ltd.)	Educational institution	85/1 Moo 2, Changwattana Road, Bang Talat, Pak kret, Nonthaburi www.pim.ac.th	99.99	Baht 500 million
Panyapiwat Technological College (Hold through Suksapiwat Co., Ltd.)	Educational institution	20/29 Moo 2, Ngarmwongwan Road, Bangkhen, Meung Nonthaburi, Nonthaburi www.panyapiwat.ac.th	99.99	Baht 273 million
Panyapiwat Institute of Management Demonstration School (Hold through Suksapiwat Co., Ltd.)	Educational institution	45/23 Moo 2, Bang Talat, Pak kret, Nonthaburi	99.99	Baht 100 million
CP Foodlab Co., Ltd. (Hold through All Corporation Limited)	Research and development	141 Moo 9, 6 th floor Innovation Cluster 2, Tower D, Thailand Science Park, Phahon Yothin Road Klong 1, Khlong Luang, Pathum Thani www.cpram.co.th	99.99	Baht 10 million
ALL NOW LOGISTICS CO., LTD. (Hold through All Corporation Limited)	Distribution of merchandise services	119 Tara Sathorn Tower 8 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok	99.99	Baht 1 million
ALL GUARDIAN CO., LTD. (Hold through All Corporation Limited)	Distribution of Health and Beauty	313 C.P. Tower 24 th Floor, Silom Road, Silom, Bang Rak, Bangkok	64.99	Baht 300 million
ALL CONVENIENCE LOGISTIC CO., LTD. (Hold through All Corporation Limited)	Distribution of merchandise services with networks covering all locations	5734, Street 1003, Bayab Village, Sangkat, Phnom Penh Khan Sen Sok, Phnom Penh, Cambodia	99.99	USD 0.005 million
Successor Investments Limited (Hold through Lotus Distribution Investment Limited)	Investment business	21/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong	100.00	HKD 1
Successor (China) Investments Limited (Hold through Lotus Distribution Investment Limited)	Investment business	Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, The People's Republic of China	100.00	USD 298 million
Nanjing Tianqu Investment Management Co., Ltd. (Hold through Lotus Distribution Investment Limited)	Investment business	Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, The People's Republic of China	100.00	RMB 1,862 million
Nanjing Tech University Pujiang Institute (Hold through Lotus Distribution Investment Limited)	Private Educational institution	No. 9 Lixue Road, Shiqiu Town, Lishui District, Nanjing City, The People's Republic of China http://en.njpji.cn	100.00	RMB 400 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Nanjing Tech University Pujiang Institute Educational Development Fund (Hold through Lotus Distribution Investment Limited)	Education Development Fund	Room 711 No. 199, Guangzhou Road, Nanjing City, The People's Republic of China	100.00	RMB 50 million
Nanjing Zheng Yi Xin Trading Co., Ltd. (Hold through Lotus Distribution Investment Limited)	Commercial Trading	44 ShuiZuo Gang, Gulou District, Nanjing City, The People's Republic of China	100.00	USD 10 million
CP ALL CAMBODIA CO., LTD. (Hold through Albuera International Limited)	Convenience stores	5734, Street 1003, Bayab Village, Sangkat Phnom Penh Khan Sen Sok, Phnom Penh, Cambodia	100.00	USD 0.005 million
CP ALL LAOS COMPANY LIMITED (Hold through Albuera International Limited)	Convenience stores	602 Khum Pheng Muang Road, Ban Phothanneua Unit 34, Vientiane, Lao PDR	99.99	LAK 6,349 million
Indoguna Vina Food Service Company Limited (Hold through Siam Makro Public Company Limited)	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	44B Phan Xich Long Street, Ward 3, PhuNhuan District, Ho Chi Minh City, Vietnam www.indogunavina.com	93.08	USD 5 million
Makro ROH Co., Ltd. (Hold through Siam Makro Public Company Limited)	Investment business in other countries as well as providing management and technical consultancy to support services to MAKRO's subsidiaries	1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok	93.07	Baht 4,532 million
Siam Food Services Limited (Hold through Siam Makro Public Company Limited)	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	2439 Old Paknam Railway Road Prakhanong, Klongtoey, Bangkok www.siamfoodservices.com	93.07	Baht 3,183 million
ARO Commercial Company Limited (Hold through Makro ROH Co., Ltd.)	Retail and wholesale operator and related businesses in Myanmar	Suit 01-05, 7/F, Myanmar Centre Tower 1, 192 Kaba Aye Pagoda Road, Bahan Township, Yangon, Myanmar www.makromyanmar.com	93.07	USD 31.3 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Indoguna (Cambodia) Company Limited (Hold through Siam Food Services Limited)	Import and distribution of temperature controlled, frozen, high quality food products from domestic and overseas with delivery service to meet the demand of food service professionals in Cambodia i.e. hotels, restaurants (both full service and quick service), caterers	Office No.28 Address No. 28, Sangkat Olympic, Khan Chmkarmon, Phnom Penh, Cambodia	93.07	USD 2.5 million
ProMart Co., Ltd. (Hold through Siam Makro Public Company Limited)	Sale of consumer products	1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok	93.07	Baht 2.5 million
ARO Company Limited (Hold through Makro ROH Co., Ltd.)	Marketing and consulting services in Myanmar	Corner of Bogyoke Aung San Road and 27th Street, Unit# 15-06 to #15-10, Level 15, Junction City Tower, Pabedan Township, Yangon, Myanmar	93.07	USD 0.183 million
CP Wholesale India Private Limited (Hold through Makro ROH Co., Ltd.)	Wholesale and retail operator and related businesses in India	7 th & 8 th Floor, WeWork BlueOne Square, 246 Phase IV, Udyog Vihar, Gurugram -122016, India corporate.lotswholesale.com	93.06	INR 671.43 million (exclude premium on ordinary share)
Makro (Guangzhou) Food Company Limited (Hold through Makro ROH Co., Ltd.)	Wholesale and retail operator and related businesses in the People's Republic of China	10 th Floor (Part: 1001), 11 th Floor, No. 65, Xianlie Middle Road, Yuexiu District, Guangzhou, The People's Republic of China www.makrochina.com.cn/	93.06	RMB 111 million
Guangzhou Huadu Makro Food Supermarket Company Limited (Hold through Makro ROH Co., Ltd.)	Wholesale and retail operator and related businesses in the People's Republic of China	No.163 Yingbin Avenue, Gaosheng Square, First Floor and Second Floor, Huadu District, Guangzhou, The People's Republic of China www.makrochina.com.cn	93.06	RMB 15 million
Indoguna (Singapore) Pte Ltd (Hold through Siam Food Services Limited)	Produce processed foods, Import and distribution of fresh, temperature controlled, frozen, high quality food products domestic and overseas with delivery service to meet the demand of food service professionals in Singapore i.e. hotels, restaurants, airlines, caterers, manufacturers, and food traders	36 Senoko Drive, Senoko Industrial Estate, Singapore 758221 www.indoguna.com	74.46	SGD 1.6 million
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C. (Hold through Siam Food Services Limited)	Restaurant and Minimart in the United Arab Emirates	Al Shafar Investment Building, Shop No 20, P.O. Box 126113 Al Quoz 1, Dubai, United Arab Emirates https://maxzi.ae/	74.46	AED 7 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Just Meat Company Limited (Hold through Siam Food Services Limited)	Import and distribution of fresh, high quality food products of meats and Poultry in HongKong	Unit A 5/F & Unit B 7/F, Sing Mei Industrial Building, 29-37 Kwai Wing Road, Kwai Chung, Hong Kong	74.46	HKD 1 million
Indoguna Dubai L.L.C. (Hold through Siam Food Services Limited)	Import and distribution of fresh, frozen, high quality food products from domestic and overseas with delivery service to meet the demand of food service professionals in UAE and neighboring countries i.e. hotels, restaurants, airlines, caterers, manufacturers, and food traders	Al Waha Street, Exit 46, Al Quoz 1, P.O. Box 123125, Dubai, United Arab Emirates www.indoguna.com/ indoguna-dubai-llc	74.46	AED 0.3 million
Indoguna Lordly Company Limited (Hold through Siam Food Services Limited)	Import, export and distribution of fresh, frozen, high quality food products domestic and overseas with delivery service to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders	Unit A 5/F & Unit B 7/F, Sing Mei Industrial Building, 29-37 Kwai Wing Road, Kwai Chung, Hong Kong www.lordly.com.hk	74.46	HKD 0.01 million
Makro (Cambodia) Company Limited (Hold through Makro ROH Co., Ltd.)	Wholesale and retail operator and related businesses in Cambodia	No. 5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Cambodia www.makrocambodia.com	65.15	USD 47.2 million

Associated Company

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
C.P. Retail Holding Company Limited	Investment business	313 C.P. Tower 14 th Floor, Silom Road, Silom, Bang Rak, Bangkok	40.00	Baht 199,480 million
C.P. Retail Development Company Limited (Hold through C.P. Retail Holding Co., Ltd.)	Investment business	313 C.P. Tower 14 th Floor, Silom Road, Silom, Bang Rak, Bangkok	40.00	Baht 119,475 million
Tesco Stores (Malaysia) Sdn. Bhd (Hold through C.P. Retail Development Co., Ltd.)	Sale of consumer products	Head Office, Level 3 No.3, Jalan 7A/62A, Bandar Menjalara 52200 Kuala Lumpur	40.00	MYR 256 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
Lotus's Stores (Thailand) Limited (Hold through C.P. Retail Development Co., Ltd.)	Investment business	629/1 Nawamin Road, Nuanchan, Buengkum, Bangkok	15.94	Baht 12.3 million
Ek-Chai Distribution System Co., Ltd. (Hold through Lotus's Stores (Thailand) Ltd.)	Sale of consumer products	629/1 Nawamin Road, Nuanchan, Buengkum, Bangkok	15.93	Baht 5,137 million
Lotus's Mobile (Thailand) Company Limited (Hold through Ek-Chai Distribution System Co., Ltd.)	Telecommunications (Not yet start)	629/1 Nawamin Road, Nuanchan, Buengkum, Bangkok	15.93	Baht 5 million

Other

Company	Type of Business	Head Office	Shareholding (Percent)	Paid up Capital
True GS Co., Ltd.	Online channel business	18 True Tower, Ratchadapisek Road, HuayKwang, Bangkok	10.00	Baht 340 million

1.3.2 Persons with conflicts of interest, holding more than 10 percent of the Company's voting shares in subsidiaries or associated companies

The Company has invested in a special purpose juristic person established for investment, which is C.P. Retail Holding Company Limited ("CPRH"), a wholly-owned subsidiary of C.P. Retail Development ("CPRD") (CPRD is a company that invests in Tesco Stores (Thailand) Limited and Tesco Stores (Malaysia) Sdn. Bhd. (together known as "CPRD")). On December 18, 2020, the Company invested 40 percent in Tesco Asia through CPRH with Charoen Pokphand Holdings Company Limited, the latter directly holding 40 percent and C.P. Merchandising Company Limited holding 20 per cent of the total number of issued shares. Therefore, CPRH is considered an associated company of the Company.

Tesco Asia Group operates business in the form of discount stores, supercenters, and hypermarkets that carries general retail consumer goods. It also grants lease of space in shopping malls and provides other services in Thailand and Malaysia. The Company will expand its retail business in Thailand, acquiring a variety of store formats and new customers. This will help promote the Company's existing businesses and support performance. Additionally, the Company will gain a variety of store formats, including wholesale, cash and carry, and retail (hypermarkets, supermarkets, and convenience stores) as well as advance towards entering Malaysia's large retail market.

Although the above investment pertains to persons with potential conflicts of interest with the Company, the Board of Directors believes that its shareholding structure is appropriate, consistent with the Company's investment policy and strategy, and is in the best interest of the Company's business.

As a shareholder, the Company has the right to independently manage the Company's investments in accordance with the percentage of shares that the Company has in the above companies. As a listed company in the Stock Exchange of Thailand, the Company is committed to treating all shareholders equally and fairly, taking into

account benefits pertaining to the company and its shareholders. In complying with regulatory measures and practicing good internal control, the Company is vigilant about entering into transactions with potential conflicts of interest. Such transactions must be approved by the Board of Directors and reviewed by the Audit Committee.

This ensures compliance with the rules and regulations of the Stock Exchange, reasonable transactions, and alignment with general terms of trade, so that transactions are not unlike those made with third parties for the Company's best interests. In addition, these stipulations promote transparency and fairness in current and future transactions. Stakeholders do not have voting rights, both as Company directors and shareholders, in transactions with potential conflicts of interest.

1.3.3 Relationship with major shareholders' businesses

The Company's major shareholder is Charoen Pokphand Group, which operates businesses in various industries, such as agriculture, food, retail, communications and telecommunications, e-commerce and digital, real estate, automobile, medicine and medical treatments, and finance and banking.

Retail business operators that sell consumer products have regular transactions with companies in the Charoen Pokphand Group, such as trading commodities. Furthermore, the Company has procedures for approving the use of commercial support services and other transactions (depending on business necessity) in accordance with the law and standards set by the Capital Market Supervisory Board and the Stock Exchange of Thailand. In this regard, the Company strictly complies with rules and regulations regarding transactions, including transactions with prices and business conditions that are not beneficial.

1.3.4 Shareholder

Name list of Top 10 Shareholders

Major Shareholders	As at 31 December, 2020	
	No. of shares	Percent
1. CP Group*		
1.1 C.P. Merchandising Co., Ltd.	2,733,475,700	30.43
1.2 Bangkok Produce Merchandising Plc.	100,000,000	1.11
1.3 Charoen Pokphand Foods Plc.	87,000,000	0.97
1.4 C.P. Foods International Limited	83,000,000	0.92
1.5 C.P. Foods Holding	60,497,656	0.67
1.6 Orient Success International	60,470,000	0.67
1.7 Jumbo Kingdom Limited	22,316,200	0.25
1.8 Worth Access Trading Limited	18,874,000	0.21
1.9 Creative Light Investments Limited	14,860,000	0.17
1.10 Charoen Pokphand Group Co., Ltd.	4,000,000	0.04
2. Thai NVDR Co., Ltd.	848,675,257	9.45
3. South East Asia UK (Type C) Nominees Limited	520,569,657	5.80
4. State Street Europe Limited	286,062,017	3.18
5. Social Security Office	234,082,500	2.61

Major Shareholders	As at 31 December, 2020	
	No. of shares	Percent
6. GIC Private Limited	188,649,200	2.10
7. UNS Agro Chemical Co., Ltd.	180,000,000	2.00
8. BNY Mellon Nominees Limited	163,416,199	1.82
9. The Bank of New York Mellon	118,161,923	1.32
10. South East Asia UK (Type A) Nominees Limited	115,819,106	1.29
11. State Street Bank and Trust Company	105,869,634	1.18
12. Others	3,037,302,299	33.81
	8,983,101,348	100.00

* Charoen Pokphand Group (CPG) holding a combined shareholding of 35.44 percent of the total paid-up capital

1.4 The Company Registered capital and Paid Up Capital

As at December 31, 2020, the Company registered capital with the 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 with 1 vote.

1.5 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 195,000.0 million in order to repay loans and/or to be used as working capital.

As at December 31, 2020, the Company offered and issued debentures 15 times in a total of 35 tranches, which total up to the amount of Baht 173,093.8 million as details below:

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

Offering	Public Offering, High net worth, and Institutional investors
Outstanding Debenture Value	Baht 15,122.0 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 (Percent)	Maturity Date
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 debenture holder representative

Offering	Public Offering, High net worth, and Institutional investors
Outstanding Debenture Value	Baht 25,197.8 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 (Percent)	Maturity Date
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 debenture holder representative

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 13,675.0 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 (Percent)	Maturity Date
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 debenture holder representative

Offering	High net worth, and/or Institutional investors
Outstanding Debenture Value	Baht 4,000.0 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 (Percent)	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 Unsubordinated and unsecured debentures in registered name form

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 9,000.0 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 (Percent)	Maturity Date
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 Unsubordinated and unsecured debentures in registered name form

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 7,000.0 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 (Percent)	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 March 18, 2021

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

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

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 6,099.0 million
Issue Date	August 26, 2016
Interest Payment Date	Twice a year on each February 26 and August 26 that 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 (Percent)	Maturity Date
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 10,000.0 million
Issue Date	November 30, 2016
Interest Rate	<p>Year 1-5: Interest rate at 5.0 percent</p> <p>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.</p> <p>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.</p> <p>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.</p>

* 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 May 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 Unsubordinated and unsecured debentures in registered name form

Offering	Institutional investors; not over 10 investors
Outstanding Debenture Value	Baht 4,500.0 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 (Percent)	Maturity Date
12 years	4,500,000,000	4.70	27 March 2029

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

Offering	High net worth and/or Institutional investors
Outstanding Debenture Value	Baht 3,000.0 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 (Percent)	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 10,000.0 million
Issue Date	August 22, 2017
Interest Rate	<p>Year 1–5: Interest rate at 5.0 percent</p> <p>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.</p> <p>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.</p> <p>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.</p>

* 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	<p>Issuer has the right to redeem the debentures in the following cases:</p> <ol style="list-style-type: none"> 1. The Issuer's right to redeem the debentures on 5-year maturity date starting from the issue date, which is on August 22, 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

12.1 Without debenture holder representative

Offering	Institutional investors and/or High net worth
Outstanding Debenture Value	Baht 9,000.0 million
Issue Date	November 15, 2017
Interest Payment Date	Twice a year on each May 15 and November 15 that the debentures are outstanding; the first interest payment date on May 15, 2018
Issue Rating	"A+" by Tris Ratings Limited

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

12.2 With debenture holder representative

Offering	Public offering
Outstanding Debenture Value	Baht 9,000.0 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+" by Tris Ratings Limited

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

13. Debentures No. 1/2019 Unsubordinated and unsecured debentures in registered name form

Offering	High net worth and/or institutional investors
Outstanding Debenture Value	Baht 15,000.0 million
Issue Date	January 18, 2019
Interest Payment Date	Twice a year on each July 18 and January 18 that the debentures are outstanding; the first interest payment date on July 18, 2019.
Issue Rating	“A+” by Tris Ratings Limited

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
3 years	5,000,000,000	2.86	18 January 2022
8 years	2,466,000,000	3.95	18 January 2027
10 years	1,920,000,000	4.12	18 January 2029
12 years	5,614,000,000	4.40	18 January 2031

14. Debentures No. 1/2020 Unsubordinated and unsecured debentures in registered name form

Offering	Institutional investors and/or high net worth
Outstanding Debenture Value	Baht 7,500.0 million
Issue Date	May 13, 2020
Interest Payment Date	Twice a year on each November 13 and May 13 that the debentures are outstanding; the first interest payment date on November 13, 2020.
Issue Rating	“A+” by Tris Ratings Limited

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
7 years	1,699,000,000	2.90	13 May 2027
10 years	2,169,000,000	3.29	13 May 2030
12 years	3,632,000,000	3.59	13 May 2032

15. Debentures No. 2/2020 Unsubordinated and unsecured debentures in registered name form

Offering	Public offering, institutional investors and/or high net worth
Outstanding Debenture Value	Baht 25,000.0 million
Issue Date	September 29, 2020
Interest Payment Date	Twice a year on each March 29 and September 29 that the debentures are outstanding; the first interest payment date on March 29, 2021.
Issue Rating	“A+” by Tris Ratings Limited
15.1 Offering	Public offering

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
4 years 9months and 1 day	13,200,000,000	3.00	30 June 2025

15.2 Offering

Institutional investors and/or high net worth

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
2 years 5 months and 17 days	6,000,000,000	1.90	18 March 2023
9 years 7 months and 14 days	2,350,000,000	3.40	13 May 2030
15 years	3,450,000,000	3.90	29 September 2035

1.6 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 to 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.

Dividend Distribution

Dividend Payment	2016	2017	2018	2019	2020
1. Earnings per share – Company only (Baht/share)	1.57	1.77	2.11	2.14	1.48
2. Annual Dividend (Baht/share)	1.00	1.10	1.20	1.25	0.90*
3. Dividend payout – Company only (percent)	64	59	54	56	57

Remark : *Dividend payment for 2020 shall be further proposed to the shareholders' meeting on April 23, 2021 for approval.

Subsidiaries' Dividend Policy

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.



Risk Management

2. Risk Management

2.1 Policy and Risk Management Framework

CP All Public Company Limited and its companies have established a comprehensive risk management system, comprising of a risk management and business continuity management committee. The Company holds the board of directors, executives, and all employees responsible for evaluating opportunities, events, and potential factors that may affect the Company's business operations. All of the abovementioned persons are also responsible for finding measures to mitigate or prevent negative consequences to the business, such as preparing risk control plans in accordance with the Company's objectives, goals, and strategic plans. The Company assesses the effectiveness of its risk management measures by monitoring situations and changeable risk factors and reporting them to the board of directors. Occurring twice a year, this comprehensive risk management policy review ensures that the Company maintains a consistent risk management system throughout the organization. The review also helps to effectively and sustainably integrate risk management into the Company's strategies, plans, decisions, and operations.

The Company has reviewed the risk management framework to ensure all departments' efficient compliance. At the Company, risk management is considered a part of the corporate strategy and work plan. In 2020, the Company appointed a representative from its risk management unit to be a member of its corporate strategy committee, which consists of representatives on strategy, budget, human resources, sustainability, and risk. The role of this corporate strategy committee is to consider the Company's strategic and risk management plans as well as other various operations planned for 2021 and ensure that they are implemented with maximum efficiency and effectiveness. In addition, the Company conducted a risk score assessment, which evaluated the risk management capabilities of different departments. The assessment helped provide insight into areas for improvement in more than 70 different departments in the organization. Held at least four times a year, departments that consistently achieve good performance are praised and recognized, announced by the Enterprise Risk Manager and Chief Executive Officer. Well-performing departments provide valuable insights that risk managers can use for further development.

The Company also organized a risk management seminar once every quarter. Held by the Risk Champion's unit, the seminar goal is to enhance its participants' risk management capabilities. With more than 400 participants, the seminar considered issues that need to be considered in situations of risk, such as strategy, finance, law, sustainability, and good governance.

In addition, the Company has established a risk assessment committee comprised of experts in various fields such as communication and image, store operations, law, human resources, facility cybersecurity, data privacy, governmental coordination, and occupational safety and environment. The role of this committee is to monitor the changing market situation on a daily basis, assessing and managing risks that may disrupt business plans.

In the event of urgent, significant changes in market situations, the risk management department organizes a risk review together with the risk management committee. The group collaborates to determine important control measures and, on special occasions, immediately reports to the executive committee.

2.2 Risk Factors

2.2.1 Operational Risks

Risk from 7-Eleven Trademark Termination

The Company operates its convenience store business under the Area License Agreement entered with 7-Eleven, Inc., USA since November 7, 1988. Under the terms, the Company is granted a license to operate convenience stores in Thailand under the "7-Eleven" trademark including related trademarks, and to obtain training and technical assistance in convenience store business from 7-Eleven, Inc. On August 20, 2003 7-Eleven, Inc. entered into the Consent Agreement which is an agreement among the Company, the Charoen Pokphand Group ("CPG") and 7-Eleven, Inc. under which 7-Eleven, Inc. has agreed to give consent to the

public offering of shares and the listing of shares for trading on the Stock Exchange of Thailand. The Area License Agreement does not specify the term of the Agreement. However, both parties have the right to terminate the Agreement if any event stipulated in the conditions does occur or if there is any event which constitutes a cause for termination under the Consent Agreement and also results in termination of the Area License Agreement.

On May 5, 2020, CP ALL (Cambodia) Co., Ltd., a subsidiary of the Company (with 100 percent of shares held by Albuera International Limited, a 100 percent-owned subsidiary of the Company), entered into a franchise agreement with 7-Eleven, Inc. to operate 7-Eleven stores in Cambodia. Under this agreement, CP ALL (Cambodia) Co., Ltd. was granted franchise rights to establish and operate 7-Eleven stores in Cambodia for a period of 30 years, whereby the relevant parties may agree to renew the agreement for a maximum of 2 times, 20 years each time. CP ALL (Cambodia) Co., Ltd. is a newly established subsidiary under Cambodian law, founded to operate 7-Eleven stores under the main franchise agreement in Cambodia.

In addition, on August 28, 2020, CP All Laos Co., Ltd., an indirect subsidiary of CP All (with 99.99 percent of shares held by Albuera International Limited, a 100 percent owned subsidiary of the Company) entered into a franchise agreement with 7-Eleven, Inc. to operate 7-Eleven stores in Laos. Under this agreement, CP All Laos Co., Ltd. has been granted franchise rights to establish and operate 7-Eleven stores in Laos for a period of 30 years, whereby the relevant parties may agree to renew the agreement for a maximum of 2 times, 20 years each time.

In case the Area License Agreement is terminated, the Company will lose its right to use the trademark, which will significantly affect the Company's business. In such a case, the Company might also be required to pay damages to 7-Eleven, Inc. In addition, if the relationship between the Company or CPG and 7-Eleven, Inc. turns sour, the Company may not obtain appropriate assistance from 7-Eleven, Inc.

The Company's Risk Management

For over the past 31 years of the good business relationship, the Company has never had any critical conflict with 7-Eleven, Inc. Furthermore, the Company has followed the regulations as per the agreement since signed date i.e. by the end of 2020 the Company operated 12,432 7-Eleven stores nationwide, which is higher than the minimum number of stores to be maintained under the agreement, the royalty fee is regularly paid for the period of time as stipulated in the agreement, or the Company continuously maintained a reputation of the trademark. The Company believes that the relationship of itself and CPG with 7-Eleven, Inc. remains good and that its business operation under the "7-Eleven" trademark is of mutual interest. So far, the business relationship and assistance have been satisfactory. In addition, during this year The Company is also entrusted with the master franchise agreement to establish and operate 7-Eleven stores in Cambodia and Laos. The chance that such a relationship will turn sour is unlikely. At present, there is no reason to believe that there would be any event that may negatively affect the relationship of the Company and CPG with 7-Eleven, Inc.

Risk of Error or Failure of Distribution Center and Logistic

The Company recognizes the importance of its distribution center management system and technological tools to support its new services, such as online shopping, online to offline (O2O) services, and parcel delivery services. Notably, the Company's parcel delivery services have met with increased consumer demand. More people are perceiving 7-Eleven as a one-stop service store, where they can pick up their products or order to have them delivered to their homes. Most of the products sold in more than 12,432 7-Eleven stores nationwide are delivered from the Company's many distribution centers, located in Bangkok and other provinces across the country. This network of distribution centers helps small and large manufacturers to safely deliver their products to 7-Eleven stores to customers' hands-on time, 24 hours a day, 7 days a week. Therefore, the distribution centers play a vital role in 7-Eleven's business in distributing products to stores across the country

in 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 regularly reviews corporate risks and strategies, considering both short- and long-term plans in order to accommodate sales growth from its existing stores. It is committed to increasing its branches as well as expanding to new forms of business. Presently, the Company's distribution strategy is to ensure that its distribution centers have sufficient space to support sales growth from its stores and new online businesses. The Company has also issued internationally recognized policies and practices for its trade partners, communicated through trainings and risk assessments. Results from risk assessments and audits are used for future developments and to find new opportunities for growing sustainably together with trade partners.

In addition, the Company also regularly monitors the preparedness of its equipment, personnel, and transportation routes to deal with disruptions in distribution. In the case that a new distribution center needs to be set up, the Company will select locations that are both safe and efficient for delivering products to its stores. This includes locations within stores' perimeters, spread throughout various provinces nationwide. With this strategy, the Company is confident that it can reduce risk factors related to distribution centers as it supports the growth of new stores and businesses 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 7days/ 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 who are strategic partner developing Business Continuity Plan (BCP) to ensure that products can be delivered during the 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 effective.

Risk of Error or Failure of Information Technology System to Support O2O

The Company's information technology systems supporting O2O is as the brain of the convenience store business, for ordering and communicating effectively to all units in the supply chain, ranging from manufacturer, logistic system and distribution center through store level. This can help the Company making sales revenue, and delivering good products and services to more than 11 million customers per day which are the key matters to create persistent customers' satisfactory and impression. Therefore, any error or problem occurred to any key information technology systems such as sales and service system, store operation system, product ordering

and logistic system, and etc, would 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 the information technology system supports the Company's O2O service through a whole supply chain systems operating effectively with the continuity of business operations and in line with the Company's business strategy. Information Technology Supervision and Information Security Committee has also reviewed consistently to improve the stability of the management of information technology, monitoring, development, and maintenance of a standard system to effectively prevent, detect and respond to cyber-attacks in accordance with the Cyber Threat Action Framework referenced by the National Institute of Standards and Technology (NIST) which consisting of 5 sections i.e. identification, protection, detection, retaliation, and recovery.

The Company focuses on developing processes and assets in relation to technology with reference to international standards such as ITIL, CMMI, and ISO / IEC 27001: 2013, 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 the hardware, the Company establishes two IT centers in different areas to diversify risk – Chaengwattana IT Center in Nonthaburi and True IDC Bangna in Samut Prakan, which is the first IT center to obtain a high information security standard and ISO from Uptime Institute. These two IT centers support each other in case of any interruption happening to one of the IT centers and ensure that the IT system will resume its normal operation.

The Company has a full range of security systems for its two IT centers, beginning with the design of their safety in every section under the proper environment. 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 the 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 the crisis to IT center on a variety of different situations to ensure that the delegated team is comprehended 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.

Cyber Threats

Due to rapid digital advancements and the spread of COVID-19 in Thailand and around the world, companies have had to adapt to working outside the office or from home. In order to keep its business running smoothly, the Company has a Business Continuity Management (BCM) plan, which includes guidelines on how to prevent corporate information from leaking. In Thailand, such cyber threats are regulated by various laws and regulations, including the Computer Crime Act, the Cyber Security Act, and the Personal Data Protection Act. The Company recognizes the importance of having pre-emptive measures to handle cyber threats. Cyberattacks, such as theft of trade secrets or leakage of customers' or employees' personal information, can result in adverse financial impact, damage the Company's reputation and credibility, or implicate the Company for failing to comply with the law.

The Company's Risk Management

The Company has been regularly reviewing its corporate strategy and plans with internationally recognized data security experts. To support business growth, the Company has digital technology business strategies and plans that are in line with global standards. Additionally, the abovementioned data security experts collaborate with the Company's information technology supervision committee to review, manage, and improve the stability of its information technology. These parties also establish guidelines on how to prevent, detect, and respond to cyberattacks. These guidelines are in line with the National Institute of Standards and Technology (NIST)'s cybersecurity framework, which comprises five areas of how to deal with cyberattacks, including identification, prevention, detection, retaliation, and recovery.

The Company has also appointed a Chief Cyber Security Officer, responsible for all of CP ALL Public Company Limited's information technology security. Furthermore, Gosoft (Thailand) Company Limited, a subsidiary of the Company, has been appointed to support the Company's cybersecurity measures. Operating in accordance with international standards, such as ISO 27001 that deals with information technology security and management and Internet security strategies, the subsidiary works to ensure the Company's business continuity and manage risks to fall within an acceptable range. Gosoft (Thailand) Company Limited is required to review the Company's cybersecurity strategy annually. Additionally, the subsidiary works to promote cybersecurity awareness amongst employees through various internal communication channels and assessments, including cyber crisis simulation programs such as the Cyber Security War Game and phishing campaigns. This way, employees will be readily equipped to use technology efficiently and keep themselves secure from cyber threats.

Risks from Laws and Government Policies

The Company manages the convenience store business and various supporting businesses under the CP All Group in Thailand. The Company is committed to conducting business with honesty, transparency, fairness, consideration for the community, society, and environment under the laws and policies from the government at all time, as well as tracking the changing needs of stakeholders on sustainability management approach internationally; both at the local level, regional and international level. It is the process of finding important information in order to make business decisions. It is also used to forecast the impact on the business from the issuance of new regulations, such as changes in the laws of government agencies various law enforcement including terms that may arise in the future, for example, new regulatory on climate change, and COVID-19 new normal lifestyle which these regulations often have smaller chapters or area-specific requirements corresponding to local characteristics. However, if the Company failure to follow up, forecast, and prepare to keep up with such changes may affect business operations and competitiveness as well as the sustainable growth of the business group.

The Company's Risk Management

The Company has always been committed to conducting business with transparency, fully complying with local and international laws and regulations. Mitigating risks is an issue of top priority, the Company has always promptly responded to government policies and is consistently improving its compliance capacities. Furthermore, the Company has a dedicated Corporate Legal Compliance Unit whose role is to closely monitor and report any changes in government policies, laws, and regulations in the countries in which they operate. This unit also supports the Company's compliance measures by building networks with relevant local and international public and private agencies. In order to thoroughly understand and comply with all government measures, the Company expresses its views on new legislation through various agencies, which in turn forwards the message onto licensing agencies.

In addition, the Company's Risk Management Committee and Corporate Legal Compliance Unit have executed risk assessments in cooperation with Risk Champions, whose role is to oversee risk-related issues and legal compliance. In this way, the Company can ensure that it can operate with full transparency and with good governance towards all of its stakeholders. In abiding by corporate risk management guidelines, the Company strives to be prepared to adapt to any legal changes, managing potential impacts to fall within an acceptable range.

Additionally, the Company's Sustainability and Corporate Governance Committee consistently oversees corporate governance and sustainability policies as well as business practices, ethics, and operations. Notably, the committee organizes approximately a hundred training and assessments on corporate governance and sustainability for employees of all levels annually. A contact center operated by this committee is also open 24 hours a day, 7 days a week for employees to submit any suggestions, complaints, and inquiries.

Human Rights Risks

With the international community increasingly expecting responsible conduct from businesses, the issue of respect for human rights has become of great importance. This is more so whilst the Company is expanding its business both locally and internationally, with different countries having varied legal practices and stakeholder groups. Thus, there are notable challenges in ensuring the respect of human rights in all of these relevant groups. Moreover, the changing global context has brought about the onset of various forms of human rights violations, such as breaches of privacy and personal information and freedom of expression. Therefore, the Company recognizes the importance of conscientiously monitoring its business operations in order to protect the human rights of all groups throughout its business chain.

If the issue of human rights is not managed in a systematic manner, satisfying the expectations of the international community, the Company may be faced with negative consequences, such as damage to the Company's image and business operations, suspension of trade, community opposition to expansion, and undermined employee confidence.

The Company's Risk Management

The Company is committed to respecting human rights and upholding its human rights policy in order to prevent violations of human rights amongst its employees, business partners, contractors, customers, and local communities throughout the supply chain. In addition to the formal enforcement of the Company's human rights policy in 2017, the Company has also established human rights protection guidelines in accordance with Thai and foreign laws in countries in which the Company operates. Furthermore, the Company abides by the United Nations' Guiding Principles on Business and Human Rights (UNGPR) and implements human rights due diligence, reviewing its human rights performance with relevant departments of all major business units every quarter. The Company is also proactive in raising awareness on human rights issues amongst employees by organizing sustainability training with the content on human and labor rights and providing workshops for assessing human rights risks.

In addition, the Company has various channels for employees to submit their opinions and suggestions, including a chime system, a complaint box placed at distribution centers, and a workplace welfare committee, which was established by the Labor Protection Act in 1998. Currently, 100 percent of the Company's employees are members of the workplace welfare committee, engaging in human rights management over the past year. To date, there have been no cases of human rights violations related to the Company's business operations, so there have been no remedial actions made for any violated persons. However, the Company has remedial measures in place to mitigate any cases of human rights violations should they occur.

Emerging Risks

1. “New Normal” Risk Considerations: Consumer Behavioral Changes

Retail businesses have been under major economic pressure due to various factors, including rapid consumer behavioral changes. Attributed to the COVID-19 pandemic, people are subscribing to a “new normal” way of life, being more concerned about health safety factors and social distancing. In addition, the increasingly digitalized and cashless society has made more consumers demand more convenience and speed from retail businesses. With more communication channels as well as purchase and payment options that customers can access anywhere, any time, on any device, fewer people are also visiting stores.

The Company’s Risk Management

The Company is committed to understanding customer insights from all its target consumer groups, diligently monitoring behavioral trends, changes, and lifestyles in different store locations. Its offline to online (O2O) systems give its customers convenient access to a wide variety of products and services by linking storefront to online processes and channels. Thus, the Company is able to provide lifestyle services and build long-term relationships with its customers.

2. Increasingly Common Outbreaks of Disease

Although the coronavirus pandemic has been ongoing for almost a year, its devastating effects are still prevalent in people’s lives and the economy. Scientists expect that people will still have to continue living with COVID-19 for some time and believe that this pandemic will not be the last the world has to face. Rather, global disease outbreaks will occur even more frequently in the future. Since the beginning of this century, the world has faced SARS, the swine flu, MERS, Ebola, and COVID-19. Additionally, mid-2020 saw the emergence of a new G4 EA H1N1 influenza virus in China, whose development scientists are monitoring closely. Even though there is not yet enough information to indicate whether this new disease might threaten humans, a mutation could cause a major, disastrous disease outbreak. This is because the increasing world population is pushing humans to encroach on more natural territories, where wild animals live, making pathogens transmit to humans more easily. Rising temperatures due to climate change have also increased the likelihood that diseases are transmitted to carrier animals, such as mosquitos. Currently, there are more than 1.7 million viral infections with animal carriers, which pose a major risk to humans. There needs to be more research on these diseases to find effective prevention and treatment measures.

Increasingly frequent pandemics in the future may lead to significant business disruptions and catalyze further changes in consumer behavior in the future. Despite the development of more effective medicine and response plans, it is still difficult to predict the severity of the overall impact of the next outbreak. However, the Company believes that the duration of the impact will be shortened as it gathers learnings from previous disease outbreaks.

The Company’s Risk Management

The Company recognizes the importance of monitoring rapid changes in consumer behavior due to technology use, the “new normal,” and an increasingly cashless society. Therefore, the Company is always developing more convenient and speedy ways to enable customer access to its products and services, anywhere, any time. As an avid researcher of customer insights, the Company realizes that consumer behavior and lifestyles vary based on different times of the day and occasions (e.g., workdays, holidays, festivals, or events in the area). These customer insights are used to develop a viable strategic plan that fits with

the ever-changing market context. Furthermore, the Company continually develops its products and services in the face of such change, delivering new experiences to customers via new channels of access to goods and services, including stores, vending machines, and even online channels. Customers can easily pay for their products or services through the Company's mobile application counter service, Alipay, Union Pay, credit card, or True Money wallet application, accessible via mobile phone. Customers can also purchase parcel delivery services at SPEED-D, available at selected 7-Eleven stores 24 hours a day. Additionally, on-demand delivery from stores is available. With these new experiences, the Company is confident that it will not only be able to retain its existing customers, but also expand to new customer groups.

3. Demographic Transition to an Aging Society

Due to the declining birthrates and better medical care, the global population is beginning to live longer and transition into an aging society. The World Health Organization (WHO) forecasts that the number of people aged 60 and over will increase by at least 3 percent annually. By 2030, it is expected that this number will reach approximately 1.4 billion, reaching 2 billion people in 2050. Asia has the most elderly population in the world, especially Japan. Considered the first country in the world that has transitioned into a super-aged society, the land of the rising sun has the most elderly population in the world. As for Thailand, the Thai Ministry of Public Health reports that as of 2020, the country has more than 12 million people aged 60 and over, or approximately 18 percent of the total population. This number will increase to 20 percent in 2021, indicating that Thailand will be considered an aging society or even a super-aged society in the next few years. In 2022, Thailand will be considered an aging society. In 2030, the aging population will increase to 26.9 percent of the total population. With regards to consumer behavior, the elderly want the best, safest, and most easy-to-use products. These considerations extend to areas such as health, financial services, and living spaces. Notably, the elderly also looks for technological tools that make their lives easier, such as smartphone applications. Therefore, the elderly is considered a target consumer group with high business potential. Previously, the market value of this consumer group was estimated to be at least 107,000 million baht per year.

The Company's Risk Management

The Company has established measures to monitor changes in demography, needs, expectations, behavior, and lifestyle amongst all of their customer groups. Customer insights are gathered from different store locations, taking into account factors that contribute to behavioral changes, such as timing (e.g., day, night, workday, holiday) and important events (e.g., festivals). These insights are used to develop viable strategic plans that fit with changing consumer habits and lifestyles. Additionally, the Company stands out from its competitors with its delicious, valuable food and beverage products full of nutritional benefits that promote the health and well-being of the Thai people. Menus such as ready-to-eat fresh fruits and vegetables, fruit and vegetable juices, low-calorie food options, and food with reduced salt and sugar are especially relevant to the elderly in Thai society.

The Company has begun exploring new business opportunities by installing an Eat Well Corner in 100 7-Eleven branches, which offers fresh fruits and vegetables, herbs, and a range of health products in high-potential areas such as in hospitals. All Beauty Corner, also established in special select stores, provides a larger range of beauty products. Moreover, "eXta" in certain stores sells quality home medicine and health products that are accessible to everyone, contributing to the health of Thais nationwide. 7-Eleven has now become a one-stop convenience store, where people can choose from a range of channels to access their products and services, including the store and vending machines. Customers also have

a variety of payment options, such as via the mobile application counter service, Alipay, Anion pay, and credit card as well as mobile payments, accessed through the True Money wallet application. 7-Eleven also enables customers to pick up their products at the store or request on-demand deliveries from stores, resulting in increased business opportunities for the Company.

4. Changing Consumer Behavior in a Circular Economy

Environmental problems, resource shortages, climate change, and plastic pollution in the ocean are fueling global resistance to plastic packaging. In Thailand, both the public and private sectors have been cooperating to alleviate environmental issues such as plastic pollution, educating consumers about how plastic use, disposal, and storage affect the environment in the long term. Results from such efforts should change consumer behavior and be more clearly visible within the next three to five years. Increasingly, consumers are looking for products and services that are environmentally friendly, use resources efficiently, and are even inclined towards entrepreneurs that operate environmentally friendly businesses, those that reduce the use of resources or recycle materials to be reused in production processes. In any case, there are some causes of concern as more and more plastic products are seen to be the cause of environmental problems, such as decreased revenue from original products, increases in research and development costs, taxation operating expenses, and negative impact on organizational image.

The Company's Risk Management

In this circular economy, the Company has adapted to satisfy customer needs via strategic planning as well as product, service, supply chain, and production process development. It is committed to increasing awareness and understanding of waste management to operate with sustainability for the environment, society, and economy. This strategic move will also help enhance the Company's competitiveness. Furthermore, the Company has management measures to handle the abovementioned risks.

As stated in their corporate resolution of "Creating and Sharing Opportunities for All," the Company believes that a sustainable organization must operate with good governance and social responsibility. Previously, the Company has had numerous initiatives to ensure business sustainability, such as helping farmers, community enterprises, and small and medium enterprises (SMEs) develop quality products to be sold in 7-Eleven stores. The Company has also consistently implemented its 7 GO Green policies for environmental conservation. For instance, the "You Can Stop Using Plastic Bags" program encourages customers to stop using plastic bags and converts the cost of these bags into donations. This project received great feedback from customers, with decreased use of more than 998 million plastic bags. As a plus, the Company was able to save more than 134 million baht, converting them into donations. Some donations include funding medical equipment for Nawamintharabophit Building's 84th Anniversary at Siriraj Hospital and 77 rural hospitals in 77 provinces nationwide. Thus, the Company was successfully able to help patients in rural areas access good healthcare.

In addition to their efforts to reduce plastic bag use, the Company is also committed to the concept of the circular economy, consistently looking for ways to recycle and upcycle plastic waste. Expanding upon its campaign to reduce the use of plastic bags in 7-Eleven, the Company has also recently collaborated with SCG and Dow Group (Thailand) to launch the 7 Go Green Recycled Plastic Road project. The project turned plastic waste into roads and built a parking area in front of a 7-Eleven store. In this way, the Company was able to do sustainable business that also takes into account the environment.

5. Shortage of New Skilled Workers

Digital advancements, a pandemic, and disruptions in the global supply chain have resulted in changes in consumer behavior and needs. These developments pose business risks, as the Company needs to adapt to use digital technology in the delivery, marketing, and online distribution of products. As a result, the Company has had to rapidly transform its digital strategy, business models, and internal operating processes in order to satisfy consumer needs for convenience and stay ahead of the competition. Consequently, this may result in a shortage of new skilled workers and personnel involved in the supply chain system that can keep up with new business models and distribution channels. Such a shortage could lead to significant business disruptions, even with continuous investments in human development. However, the Company believes that the help of modern technology can shorten the impact of skilled worker shortages whilst strengthening reskilling and upskilling efforts.

The Company's Risk Management

To support business growth, the Company regularly reviews its corporate strategy, which includes strategies for equipping its personnel with new skills. Such training is distributed through online teaching at Panyapiwat Technological College, which awards vocational certificates, and Panyapiwat Institute of Management's Thai and international programs, which awards bachelor's, master's, and doctoral degrees. Through these curriculums, employees are equipped with relevant digital business skills to better contribute to the organization. These educational programs, an ecosystem in itself, are also a way for students and employees to gain memorable life experiences whilst supporting the expansion of new businesses and trading platforms. Thus, the Company is committed to developing its employees' skills, particularly through reskilling and upskilling. Reskilling adds value to the organization by increasing employees' skills in the same role under the next contexts while upskilling develop employees' skills for other roles, such as training them on the use of new technology and other essential skills. These new skills, such as digital literacy, can be used in new roles in the organization. Additionally, the Company aims to develop specialized professional skills in line with its business expansion, such as training coffee makers, coffee masters, coffee managers, and food masters (food management specialists). There are also exams for awarding certificates and compensation schemes based on qualifications.

Furthermore, the Company has appointed a Business Excellence Committee and Business Excellence Working Team (BEW) to increase the effectiveness of its work processes for business excellence. This includes reducing multistage work processes, promoting work agility, and fostering cross-functional collaborations so that the Company can be a "4.0 organization" that is ready to face rapid changes in this modern world.

Moreover, the Company has continuously invested in developing quality employees to support Thailand's retail business. This is done through a bilateral learning curriculum where employees have a chance to learn both in and outside of the classroom, where they get practical training. In collaboration with the Office of Vocational Education Commission (OVEC), the Company supports programs at Panyapiwat Technological College, which awards vocational certificates, and Panyapiwat Institute of Management, which offers both Thai and international programs and awards bachelor's, master's, and doctorate degrees. In recent years, the Company has also cooperated with the government to create "Premium Graduates," awarded with certificates or diplomas in vocational education and bachelor's degrees in various disciplines such as trade innovation management, marketing, retail business management, electrical technology, and food and beverages.

Financial Risk

The Company 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.

As of 31 December 2020, the Company and its subsidiaries had interest-bearing debt amounting to 292,968 million baht, in which was debenture with fixed interest rate amounting to 152,996 million baht or 52 percent of the total amount of interest-bearing debt. Net debt to equity as determined in the bond covenants was at 1.6 times, lower than the level stipulated in the covenant for the year 2020. The Company also had long-term borrowings from financial institutions denominated in United States Dollar equivalent to 66,551 million baht for an investment to acquire shares or economic interests of up to 40 percent of total paid-up ordinary shares in Tesco Stores (Thailand) Limited and Tesco Stores (Malaysia) Sdn. Bhd.

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.

The Company's had fixed interest rate Thai Baht debentures amount of 152,996 million baht, which the Company plans to continuously reduce leverage ratio by using internal cash flow from operation to repay loans. In addition, the Company has been committed to complying with the Company's debt covenants of CPALL bonds by maintaining the net debt to equity ratio as stipulated in the debt covenants. In addition, the Company also has issued perpetual debentures of 20,000 million baht in order to cushion net debt to equity ratios.

Long-term borrowings from financial institutions denominated in United States Dollar, the Company uses forward exchange contract to hedge its currency risk. In addition, the Company has planned to issue long-term Thai Baht debentures in order to exchange debt denominated in United States Dollar to Thai Baht.

Risk from the Record of Goodwill and Intangible Assets

The goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in a 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 program, customer database, and others, at which 2–15 years useful lives. Other intangible assets recognized 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 Company'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.

2.2.2 Investment Risk to Shareholder

Risks from Major Shareholders Holding Shares of More Than 25% of the total Issued Shares

As of December 31, 2020, the Charoen Pokphand Group, represented the Company shares equal to 35.44 percent of the total issued shares; as a result, the agenda required by laws or regulations to be passed by at least three-fourth of the total votes of shareholders attending the meeting and having the rights to vote, may not be passed by resolutions, in case, the Charoen Pokphand Group abstained their votes or voted against the said agenda.

The Company's Risk Management

The Company and the Board of Directors have adhered to the principles of equal and fair treatment to all shareholders and have taken account of benefits to the Company and all shareholders, as per the good governance policy as promulgated by the Company and as per the prescribed procedures and levels of authorities for approval of the Company's operation. In case, any entry of transaction shall be approved by resolution of the shareholders' meeting, such agenda shall be screened by the top management of the Company before the Company's Secretary shall include it in the agenda of the Board of Directors' meeting for consideration and giving of opinions thereon for the passing of resolutions of the shareholders' meeting.

Provided that, in the invitation to the shareholders' meeting, the opinions of the Board of Directors shall be properly and adequately specified so that all shareholders shall be informed of directors' opinions on such transactions and such opinions shall be used as basic data for decision-making; and with such operational guidelines, the Company is confident that the major shareholders shall cast their votes in the same directions with opinions of Board of Directors in each agenda of the meeting; moreover, in case, the Company has entered the related transactions, such related transactions shall be approved by the shareholders' meeting; and shareholders who are stakeholders or the related parties under the related announcement of the regulatory authorities shall not be entitled to cast their votes in such agenda.

Nonetheless, there may be other risk factors that the Company has not yet acknowledged or has considered as insignificant risk factors. Therefore, to invest in the Company's securities, investors shall consider other risk factors as well.

2.2.3 Risks of Investing in Foreign Securities

None



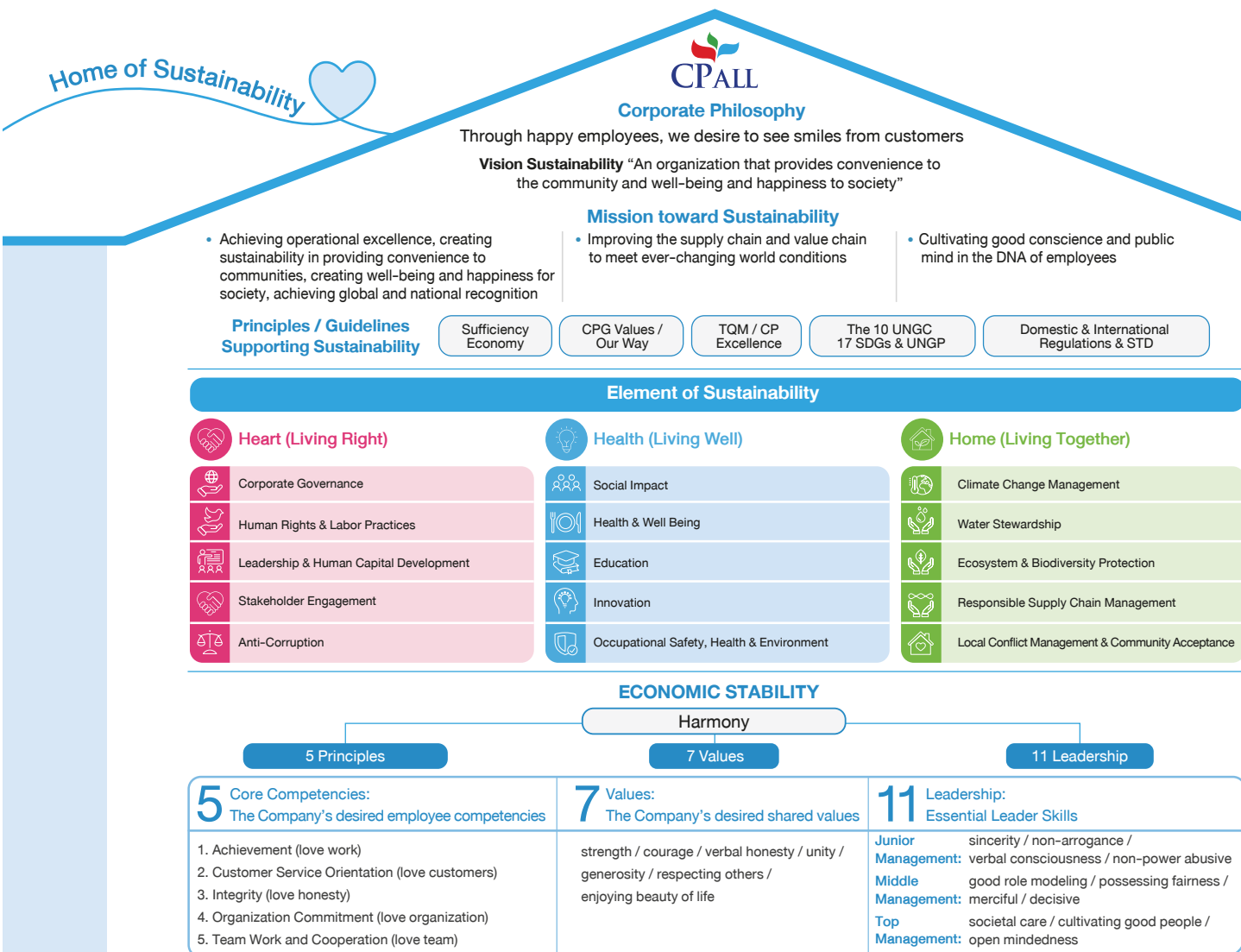
Driving Business for Sustainability

3. Driving Business for Sustainability

3.1 Sustainable Management Policy and Goals

Since 2017, CP All Public Company Limited and its subsidiaries (“the Company”) have established and announced its sustainable development policies and goals, which cover various dimensions of sustainability-related issues. Fifteen in total, these issues include those such as governance, society, and environment. Spearheaded by the Sustainable Development Committee, the Company has integrated its strategy for sustainability into its overall 2019 to 2023 plan. This integration is crucial to the serious and effective implementation of the Company’s sustainability initiatives. The below summarizes such sustainability-related operating guidelines, which all align with the Company’s framework, business strategies, and sustainability principles:

- Evaluate the efficiency and effectiveness of the Company’s sustainability initiatives. Doing this will help to improve the way internationally recognized sustainability practices are integrated into the Company and the Company’s value and supply chain.
- Educate, raise awareness of, and increase participation in sustainable business operations amongst executives and employees of all levels.



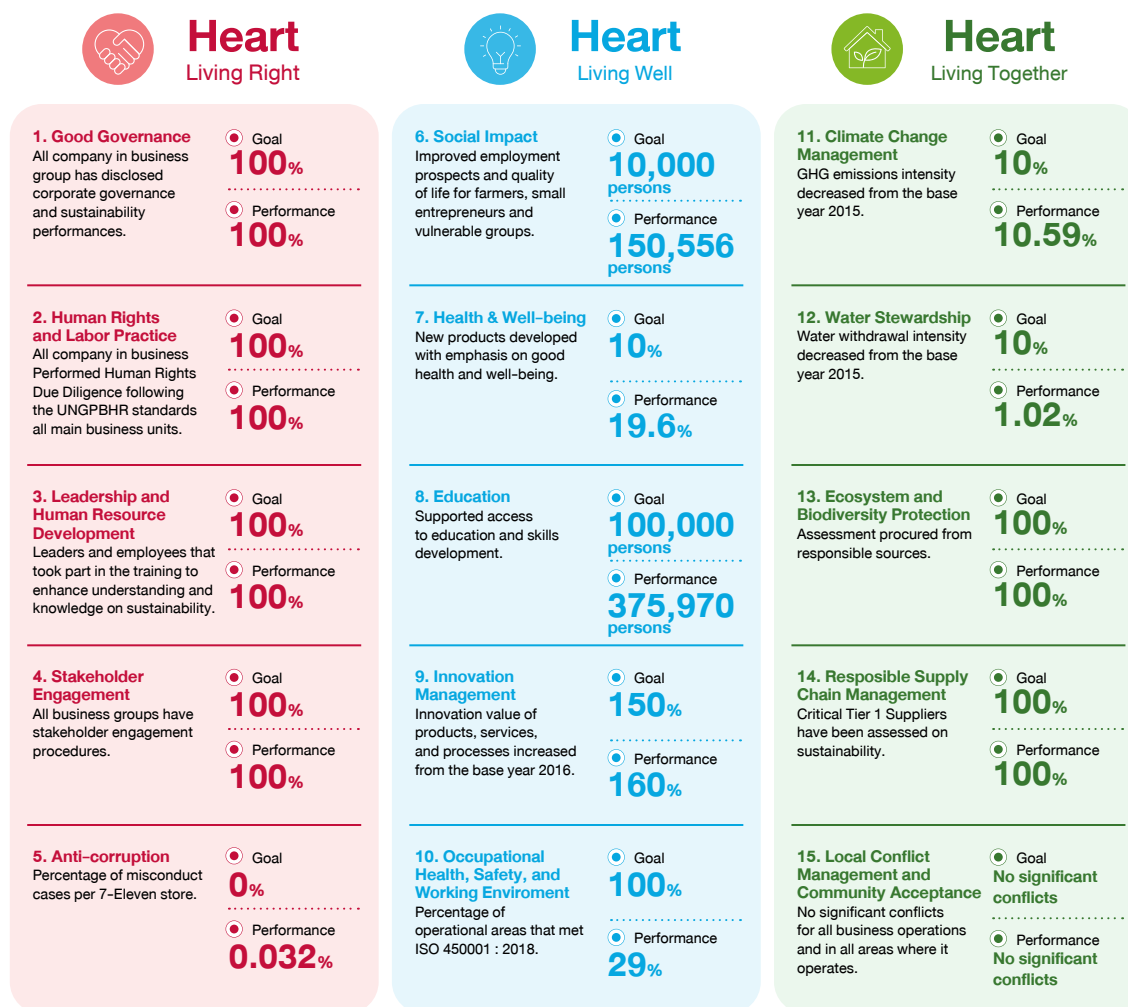
Corporate Sustainability Management Goals

The Company has established sustainability goals and indicators that take into account its context as well as supports the United Nations' Sustainable Development Goals (SDGs). Below are the main points of the Company's sustainability operating framework:

1. **Corporate Governance** : Creation of assurances in operations concerning stakeholders by reporting the Company's governance-related activities, with the aim of transparency, fair business competition, ethical business practices, and pursuing sustainability efforts through reporting which has passed independent verification following international standards.
2. **Human Rights and Labor Practice** : Human Rights Due Diligence (HRDD) has been conducted according to the United Nation Guiding Principles on Business and Human Rights (UNGPHR), fully respecting and upholding human rights. Communication channels for human rights-related grievance has been established, along with diversity and inclusion management.
3. **Leadership and Human Capital Development** : Develop employees to be equipped with the necessary knowledge and skills to facilitate sustainable business operations. Develop the Company's leaders to possess visions in business sustainability's change management. Develop suppliers and business partners to have the necessary knowledge and skills to support sustainable business operations.
4. **Stakeholders Engagement** : Develop a relationship-building process with stakeholders, by identifying the stakeholder groups, gain an understanding of each group's needs and expectations. This will enable effective response to stakeholders, as well as creating internal corporate awareness towards stakeholders. There is a process to review every grievance submitted by the stakeholders.
5. **Anti-corruption** : Create awareness to employees and critical suppliers regarding the importance of, and the commitment to, anti-corruption. This was achieved in compliance with 'Anti-Corruption Practice.' It serves as an operational guideline, maintaining alignment to the Anti-Corruption Policy, utilized in prevention, identification, and responses of the Company's anti-corruption efforts. This encompasses corruption cases in the Company. The arrangement enables the company to remain true to its established commitment.
6. **Social Impact** : Creating social values by promoting jobs and enhance income for farmers, SMEs, and Suppliers; creating professional opportunity, while ameliorate quality of life for vulnerable groups (a particular social group that requires support).
7. **Health and Well-being** : Development of new products and services, most of which are focused on health, nutrition, and good well-being. Promote nutrition labeling for food products, as well as developing service, projects, or activities which consistently foster good health and well-being.
8. **Education** : Support children, youths, and adults in accessibility to education, and development of necessary skills, including technical and employment-related skills; in having good occupation, and working as an entrepreneur.
9. **Innovation Management** : Generate values from innovation, both from new products, and those resulted from cost-saving, as arise from product or process innovation. Enhance the Corporate of Innovation culture, and foster joint-creation of innovation with external stakeholders.
10. **Occupational Safety, Health, and Environment** : Emphasize on safety, industrial hygiene, and work environment of employees, as well as contractors. These components are considered crucial for all operations.
11. **Climate Change Management** : Reduce greenhouse gas emission, via declined energy consumption per production unit, and an increased proportion of renewable energy usage. Efforts include a lower amount of waste to landfill and reduced usage of plastics and papers. Farmers, business partners, and suppliers are encouraged to mitigate their impacts, and enhance change, climate resilience. Climate change impacts assessment throughout a given product or service life cycle is also emboldened, in addition to backing for projects on climate change-induced disaster response, jointly implemented with the Company's stakeholders.

- 12. Water Stewardship** : Reduce water usage per production unit. There are the efforts to manage water scarcity risk, by increasing the rate of water recycling, and substantiating community's access to the water source, in an appropriate manner.
- 13. Ecosystem and Biodiversity Protection** : Raw material sourcing assessment to ensure that the source does not pertain deforestation or damages of marine resources. Provide support to projects on protection and restoration of natural habitat accordingly (such as upstream forests, the ocean, and the beaches) appropriately.
- 14. Responsible Supply Chain Management** : Conduct sustainability assessment for all critical business partners to procure primary raw material and products from responsible and traceable sources. This includes the efforts to develop mutual sustainable growth with business partners.
- 15. Local Conflict Management and Community Acceptance** : Discuss and kindle relationships to ascertain understanding, which will help ease conflicts between the Company and society. Social impact assessment will be conducted, with preparation respectively arranged according to the risk identified. Emphasis is given to community investment. There is a management mechanisms to address grievances on social impacts, coupled with guidance on mitigation.

Progress Towards 2020 Sustainability Goals



Investors can follow up on the Company's efforts in contributing to the United Nations' Sustainable Development Goals on a range of topics in the Company's 2020 Sustainability Report.

[illegible]

Example of implementation of the main activities of Sustainable Supply Chain Management Activity Overview as follows:



To ensure smooth business operations, the Company recognizes the importance of enabling “supporting activities” as much as “main activities.” Such “supporting activities” include employee recruitment, development, and retention as well as information, technology, and innovation management. In addition, risk management, information and cybersecurity, and building relationships with stakeholders are also considered important activities.

3.2.2 Engaging with Stakeholders

In recognition of the importance of stakeholders, the Company places great emphasis on stakeholder engagement, delivering quality products and services, as well as coping with market changes. The Company has been promoting participation with its 12 groups of stakeholders through various channels, such as opinion polls, interviews, websites, social media, meetings, and seminars. These channels have helped the Company explore stakeholder satisfaction, expectations, perspectives, and suggestions on sustainability-related issues such as the economy, society, and the environment amidst both normal and abnormal market conditions. With this information, the Company is able to prioritize issues of importance and plan its response. The Company also uses such information as guidelines for future sustainability reports. Below shows how the Company handles different stakeholders:

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
Suppliers and Contractors	<ul style="list-style-type: none"> • Stakeholder engagement 	<ul style="list-style-type: none"> • Regularly implementing the Joint Business Plan annually, as a way to find an approach for the organization's overall business expansion that is steady and sustainable • Collecting feedback from suppliers to be taken into consideration and adapting the joint operational processes • Jointly improving the management of responsible supply chain in the areas of economy, social, and the environment

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	<ul style="list-style-type: none"> Managing conflict and creating acceptance with the communities 	<ul style="list-style-type: none"> Supporting and uplifting the quality standard of 7-Eleven construction contractors Elevating and improving the economic positions in the communities through the support from subsidiary business operators in the communities by selecting and jointly developing products to sell to appropriate customers
	<ul style="list-style-type: none"> Good corporate governance Fair business operations under the principles of good governance and business ethics 	<ul style="list-style-type: none"> Specifying the policies and announcing the use of such policies related to corporate governance Communicating the approach and practices in good governance and business ethics to each group of suppliers
	<ul style="list-style-type: none"> Anti-corruption 	<ul style="list-style-type: none"> Collaborating with the Public Sector's Network, "Joining Forces, Combatting Corruption" project Certification Project for Thailand's Private Sector CAC
	<ul style="list-style-type: none"> Innovation management 	<ul style="list-style-type: none"> Developing open innovation projects, creation of close innovation and improving innovation
	<ul style="list-style-type: none"> Responsible supply chain management 	<ul style="list-style-type: none"> Launching Sustainable Sourcing policy and Supplier Code of Conduct, as well as appointing a committee for screening products, promoting the awareness and social, environmental responsibility to the suppliers Developing supplier audit protocols in accordance with Supply Change Management Policies and Supplier Code of Conduct
	<ul style="list-style-type: none"> Climate change management 	<ul style="list-style-type: none"> Project to develop more eco-friendly packaging Project to reduce the electricity usage of air conditioner of each branch
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Flexibility with delivery of products Knowledge on how-to-behave during the COVID-19 epidemic 	<ul style="list-style-type: none"> Regularly follow the COVID-19 epidemic-related news Set out rules and procedures to deliver products which would prevent the outbreak of COVID-19 Facilitate the suppliers with the delivery of goods and services which are situationally appropriate Determine communication channels to swiftly share up-to-date knowledge on COVID-19 prevention to each group of suppliers
Government	<ul style="list-style-type: none"> Strict compliance with the laws and the relevant regulations 	<ul style="list-style-type: none"> Study, establish an understanding in relation to the laws and related regulations with area specificity or local laws as well as applying the same to so that it aligns with the business operations Compliance with the laws and the relevant regulations

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	<ul style="list-style-type: none"> To serve as an example to the business sector in demonstrating social and environmental responsibility 	<ul style="list-style-type: none"> Share perspectives through associations, and various trade unions Support initial assessments by the public sector and other sectors and groups related to sustainable development
	<ul style="list-style-type: none"> Carry out fair business practices with partners 	<ul style="list-style-type: none"> Determine policies on creating programs and clearly prevent any conflicts to the interests
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Cooperate with the governmental sector in disclosing the information of those who are infected by COVID-19 Strictly follow the measures of the government Determine COVID-19 prevention measures and correct behaviors Assist suppliers with their business operations during the time of crisis Correct disposal of infected wastes such as used masks No hoard of products 	<ul style="list-style-type: none"> Regularly cooperate and comply with the government's policies, including to follow with the published policies and procedures Internal audit within the organization on compliance with the government's policies Control the product prices to be appropriate with price set by the government Encourage the suppliers to comply with the policies and procedures of the government
Customer	<ul style="list-style-type: none"> Detailed and accurate promotional campaigns 	<ul style="list-style-type: none"> Communication with the customers and consumers for a better understanding of the promotional campaigns Increase communication channels of the promotional campaigns
	<ul style="list-style-type: none"> Quality and safety 	<ul style="list-style-type: none"> Improving the standards of products and services in both terms of quality and safety
	<ul style="list-style-type: none"> Health and wellness 	<ul style="list-style-type: none"> Select and offer healthier choice products
	<ul style="list-style-type: none"> Product labels provide comprehensive information on the product and service 	<ul style="list-style-type: none"> Communicate and provide more information on nutrition, usage of the products and services on the product labels such as encouraging for the suppliers to provide Guideline Daily Amount (GDA) type-nutrition facts label for both basis of legal requirement and on voluntary basis
	<ul style="list-style-type: none"> Service period 	<ul style="list-style-type: none"> Improve the payment methods for goods and products Cultivate a good environment in stores with the SAVEQC project to increase customer satisfaction
	<ul style="list-style-type: none"> Local economy impact 	<ul style="list-style-type: none"> Selling of local products
	<ul style="list-style-type: none"> Safekeeping of customers' personal information 	<ul style="list-style-type: none"> Data Privacy Policy that covers the various group of customers of different membership types that require personal information

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Employees of 7-Eleven shall not be a spreader to the customers To offer the COVID-19 prevention products such as masks and alcohol etc. Ensure no shortage of essential consumer goods Online shopping and delivery 	<ul style="list-style-type: none"> Setting COVID-19 prevention measures to instil confidence to the customers such as requiring employees to wear masks and getting body temperature screening prior to the beginning of work, regular cleaning of the counters and all 7-Eleven stores' equipment, as well as communicating with the employees to ensure their understanding of good COVID-19 prevention practices Customers are required to wear masks and subject to body temperature screening prior to entering the stores Products availability that meet customers' demand and no shortage during the epidemic "Im Koom" campaign, so that customers have access to reasonably-priced food during the epidemic Provide raw ingredients to Chef's Hug lunchbox project, in order to distribute the boxes to 5 Bangkok communities "Im Tong" campaign of 7-Eleven, a food delivery service which can be ordered with the store's LINE account via chat "SPEED-D" campaign, 24 hour-parcel delivery service to anywhere in Thailand, available at 7-Eleven stores
Investors / Analysts	Operational results and business expansion	Managing the business to grow, reduce risks, and increase transparency
	Good corporate governance and consider the benefits of the minority shareholders	<ul style="list-style-type: none"> Specifying governance policies and ensuring strict adherence to the policies Providing equal treatment and to maintain investors and analysts' benefits
	Operational transparency, information disclosure, branding, and social acceptance	<ul style="list-style-type: none"> Collect feedback from shareholders and investors to be taken under consideration when determining strategic operational approach of the Companies Determine policies on creating programs and clearly prevent any conflicts to the interests
	Impact to the economy of the communities	Carrying out work promoting job creation injecting salaries for the small and medium enterprises, including small entrepreneurs in communities
	<ul style="list-style-type: none"> Received a governance assessment, by Institute of Directors (IOD) and Thai Investors Association Selected as the tier 1 member nationally and internationally, such as, THSI, DJSI and FTSE4Good Index 	<ul style="list-style-type: none"> Advance and increase the efficiency in operations per principles of good governance Amendments to the charter, various compliance policies on corporate governance, combating corruption, sustainability policy, environment, and society to align with the international standards

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Determine measures and transparently communicate on business operations during the COVID-19 epidemic Determine measures for meeting during the COVID-19 epidemic Access information in a timeline manner as one could during the normal time 	<ul style="list-style-type: none"> Develop measures and regularly and transparently communicate on results of the business operations to investors and analysts during the COVID-19 epidemic Hold online meeting via various platforms which cover all target groups both domestic and international
Community	<ul style="list-style-type: none"> Creates impact to the local economy 	<ul style="list-style-type: none"> Project on promoting jobs and improving the quality of life with the communities, as well as finding solutions to distribute community goods, including the community support center project
	<ul style="list-style-type: none"> Community development, collectively creating value between the communities, society, and the corporate sector 	<ul style="list-style-type: none"> Project promoting health of the locals in the communities, such as basic health checks, doctor consultations, and recommendations on use of meds from a pharmacist Coffee' Muan Chon projects E-Donation project Drinking water for firefights project Firefight training and fire evacuation drill for the community and vulnerable group project
	<ul style="list-style-type: none"> Supporting agriculture, small and medium entrepreneurs (SMEs) in creating quality goods, and promoting market reach and other sales channels of the communities 	<ul style="list-style-type: none"> Educate through workshops and observing the cultivation process, including good agricultural practices Increase distribution channels from the local suppliers such as the Golden Banana Project and 7-Eleven with the Farmers Project, the ALL Fresh Project, My Farmer, My Life Partner Project, project to improve capability of the Buddhist Economics Farmer School- Rai Chern Tawan, and joint development of products of Phu Fa center
	<ul style="list-style-type: none"> Promoting and conserving local culture 	<ul style="list-style-type: none"> Shaping landscapes and surrounding environment of the stores to blend in with the local cultures
	<ul style="list-style-type: none"> Good environmental management 	<ul style="list-style-type: none"> Implementing energy management projects and expanding the results to the stores in their efforts to save energy and model innovation stores Implementing waste management projects such as Can-less-Sprout Project, 7 Go Green Recycled Plastic Road Project, Magic Box Recycling for Sharing Project, Send Plastic Home Project, Speed-D Recycling Project, and Food Waste Management Navigating Koi Samui Project
	<ul style="list-style-type: none"> Providing educational opportunities, promoting sustainable vocational skills 	<ul style="list-style-type: none"> Implementing projects to support educational and job opportunities, namely, project for career preparation for student interns, project to return good talents to society and free education with income project Project to create personnel who is Go-Like educationally brilliant Project to uplift the skills of labor and change of career with online training

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Necessary consumer goods are to maintain their normal prices Procedural knowledge on behaviors during the COVID-19 epidemic Support COVID-19 prevention products such as masks and alcohol etc. Job creation in the community during the time of crisis 	<ul style="list-style-type: none"> “Thai People Will not Leave Them Behind” project, donated THB 77 million to 77 hospitals across the 77 provinces in Thailand Provide medical equipment such as PPE suit and masks to medical personnel Provide food and drinks to those who are under quarantine and hospital personnel
Opinion Leaders	<ul style="list-style-type: none"> Create economic opportunities for the grass-root farmers 	<ul style="list-style-type: none"> Gathering feedback from and problems faced by the communities, and cooperating with the CSOs Improvement of farmers' capabilities in their production and distribution, as required, such as the project to develop the farmers' capabilities Cooperating with the CSOs to support the distribution of products in the local markets
	<ul style="list-style-type: none"> Collectively creating and repurposing preexisting objects to create value throughout the supply chain Communicating and incorporating into the daily life routine of the new generation, so that it is deeply pervasive 	<ul style="list-style-type: none"> Create knowledge transfer projects to create products in the communities that would improve the livelihood of the communities and farmers
	<ul style="list-style-type: none"> Looking after and restoring the environment. This includes encouraging solving environmental issues sustainably 	<ul style="list-style-type: none"> Jointly supporting waste management projects with the CSOs such as Food Waste Management Project, Recycling of Plastic Project, Can-less-Sprout Project, etc.
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Procedural knowledge on behaviors during the COVID-19 epidemic Support COVID-19 prevention equipment 	<ul style="list-style-type: none"> Procedural knowledge on behaviors during the COVID-19 epidemic Introducing the project to Support COVID-19 prevention equipment.
Non-Governmental Organization (NGOs) Civil Society Organization (CSOs)	<ul style="list-style-type: none"> Create economic opportunities for the grassroots farmers 	<ul style="list-style-type: none"> Gathering feedback from and problems faced by the communities, in joint efforts with civil society Support farmers' capacity building in their production and distribution, as required, such as the project to develop farmers' capabilities Cooperating with the CSOs to support the distribution of products in the local markets
	<ul style="list-style-type: none"> Collectively creating and repurposing preexisting objects to create value throughout the supply chain 	<ul style="list-style-type: none"> Knowledge transfer projects to create products in the communities that would improve the livelihood of the communities and farmers
	<ul style="list-style-type: none"> Looking after and restoring the environment and encouraging solving environmental issues sustainably 	<ul style="list-style-type: none"> Jointly supporting waste management projects with the CSOs such as, Food Waste Management Project, Recycling of Plastic Project, Can-less-Sprout Project, etc.

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Procedural knowledge on behaviors during the COVID-19 epidemic Support / assist communities and groups of people who were effected 	<ul style="list-style-type: none"> Procedural knowledge on behaviors during the COVID-19 epidemic Introducing the project to support COVID-19 prevention equipment Supporting the CSOs in the project to giveaway consumer goods to the occupational classes and communities directly effected such as the taxi drivers, motorcycle taxi drivers, or hawker merchants Supporting CSOs in the project to giveaway consumer goods and basic medical equipment for children and parents with cerebral palsy and mobility handicap Supporting the CSOs in the project to set up community fund to manage the access to food and consumer goods for effected people and to muster assistance between communities for sustainability and self-independence
Media and Bloggers	<ul style="list-style-type: none"> Create an understanding and reduce local conflict through the use of social media, to disclose reliable information and news 	<ul style="list-style-type: none"> Communicating reliable information through social media, press or other online channels of the organization or its employees
	<ul style="list-style-type: none"> Product Quality 	<ul style="list-style-type: none"> Establishing criteria for health products, and health products development
	<ul style="list-style-type: none"> Innovation to facilitate the payment of goods 	<ul style="list-style-type: none"> Growing online commerce, with various methods of delivery, various payment methods and more readily accessible products to the consumers
	<ul style="list-style-type: none"> Improve and redeem the branding of the organization 	<ul style="list-style-type: none"> Communication through all channels, social media, press, online as well as building positive relationships with each of the stakeholders "Create Dream, Share Opportunity" project by CP ALL
	<ul style="list-style-type: none"> Improve the work systems of the organization to appropriately response to the current world events 	<ul style="list-style-type: none"> Change in the organization's culture Usage of digital technologies to improve work process, including O2O IT Platform, and AI
	<ul style="list-style-type: none"> Green Packaging 	<ul style="list-style-type: none"> Policy announcement on packaging, which covers the design consideration stage, and the selection of packaging for use, including, considering the processes in the Product Life Cycle pursuant to the "Green Packaging" strategy
	<ul style="list-style-type: none"> Good and quality service 	<ul style="list-style-type: none"> Constant improvement to services
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Cooperate in the communication and disclosure of relevant infections of COVID-19 Procedural knowledge on behaviors during the COVID-19 epidemic on social media 7-Eleven stores safety measures 	<ul style="list-style-type: none"> Share COVID-19 prevention measures through all channels including social media, press and online media Cooperate in the communication and disclosure infections of COVID-19 virus to the public Communicate on the service that is up to standards and values the safety of the customers and employees

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
Stakeholders within the Company Employees	<ul style="list-style-type: none"> Long-term compensation and welfare 	<ul style="list-style-type: none"> Running the Employee Joint Investment Program, EJP Phase III (2017 – 2022) Post-retirement project for the employees
	<ul style="list-style-type: none"> Developing personal capacity, advancement, and confidence 	<ul style="list-style-type: none"> Preparing and cultivating leaders Knowledge and skill transfer workshops that are appropriate and based on interests Developing potential and continually valuing employees with potential and good morals, such as Career Path Development Programs, Development Program for Food and Beverage Strategy, CP ALL Young Challenger Programs for new employees, development for employees with high potential Improvement of the performance management process (ALL Perform)
	<ul style="list-style-type: none"> Health and well-being program and work-related stress management 	<ul style="list-style-type: none"> Providing consultations and carrying out projects that promote health and spiritual practices Flexible Time activities “Love Health” Project Ergonomic risk reduction program and stress management Apply the principles in human rights to guidelines towards the employees
	<ul style="list-style-type: none"> A good working environment 	<ul style="list-style-type: none"> Improve the occupational health and safety management system and the working environment, including safety culture projects and behavior-based safety projects Improving the work place per the labor standards, as well as driving work performance pursuant to good labor practices
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Confidence in the safety and COVID-19 free environment when arriving at work Knowledge on how-to-behave during the COVID-19 epidemic Support COVID-19 prevention products such as masks and alcohol etc. Technology by working via decent platforms 	<ul style="list-style-type: none"> Financial support to employees such as education and medical expenses, etc. Screening measures on individuals at risk of COVID-19 infection and to report the numbers of such screening of each group to all 7-Eleven and distribution center nation wide as well as to the central office and provincial and metropolitan offices, categorized in to 4 groups as follows: <ul style="list-style-type: none"> Group A: Infected Group B: Have records of being in close proximity to Group A of records from high risk countries Group C: Have records of being in close proximity to Group B Group D do not have credible information Groups taking turns working from home and from the office, as appropriate Provide food, water, and moral support to employees who work at the stores. Provide E-Coupon for necessities to employees, families of employees who are affected by COVID-19 whether by having no workday, termination, or close of business

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
Business Alliances		
Landlord	<ul style="list-style-type: none"> Continuous joint operations pursuant to principles of good governance Swift cooperation and problem solving 	<ul style="list-style-type: none"> Establish a system to oversee, follow up and resolve the issues complained thereof Uplift the satisfaction survey of the landlord towards the Company
	<ul style="list-style-type: none"> Public relations and sharing news regarding the Companies' policies 	<ul style="list-style-type: none"> Site visits to establish relationships with the landlord, once every trimester at a minimum Public relations news through SMS and email Activities to promote the special locations landlord for strategic partners
	<ul style="list-style-type: none"> Receive rent payment on time 	<ul style="list-style-type: none"> Have on-time rent payment system in place
	<ul style="list-style-type: none"> Ensure that the rental property is in good conditions throughout the terms of the rent as well as after 	<ul style="list-style-type: none"> Measures to look after the rental property and environment surrounding such property
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> No issues on making rent payment such as late payments Disposal of infected waste such as masks in the stores 	<ul style="list-style-type: none"> Have on-time rent payment measures in place to instill confidence in the landlords Measures to dispose infected waste such as masks in the stores
Store Partners	<ul style="list-style-type: none"> Fair business operations under the principles of good governance and business ethics 	<ul style="list-style-type: none"> Communicating the approach and practices in good governance and business ethics
	<ul style="list-style-type: none"> Promoting capability in competition and business management 	<ul style="list-style-type: none"> Promoting, valuing and training business operators to improve the management capabilities Managing cost of goods and operations Improving the variety of goods to align with market demands
	<ul style="list-style-type: none"> Public relations and notifying the news and policies of the Companies 	<ul style="list-style-type: none"> Sharing information and public relation news on the market
	<ul style="list-style-type: none"> Business stability, expansion and continual joint operations 	<ul style="list-style-type: none"> Supporting the store partners to cultivate successors to the business for longevity in their joint business operations
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Offer various supports such as financial and employee's operation Knowledge on how-to-behave during the COVID-19 epidemic Communication and publicize on news relating to swift assistance measures of the Company 	<ul style="list-style-type: none"> The Company shoulder the cost burden in the prevention of COVID-19 such as 7-Eleven stores cleaning, consumable costs in line with the prevention measures Store partners may borrow money to maintain cash flow for their continuous operations Flexible measures such as to postpone or exempt of expenses by the Company, extension of store contracts for stores that temporarily close Assist store partners by providing crucial information or documents Relay public relation news and moral support from the Company

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
Shareholders	<ul style="list-style-type: none"> Operational results and business expansion 	<ul style="list-style-type: none"> Managing the business to grow, reduce risks, and increase transparency
	<ul style="list-style-type: none"> Good corporate governance 	<ul style="list-style-type: none"> Specifying governance policies and ensuring strict adherence to the policies Providing equal treatment to the shareholders, and to maintain shareholder and investor interests
	<ul style="list-style-type: none"> Operational transparency, information disclosure, branding, and social acceptance 	<ul style="list-style-type: none"> Collect feedback from shareholders to be taken under consideration when determining strategic operational approach of the companies Determine policies on creating programs and clearly prevent any conflicts to the interests
	<ul style="list-style-type: none"> Impact to the economy of the communities 	<ul style="list-style-type: none"> Carrying out work promoting job creation injecting salaries for the local communities through promoting subsidiary business operators in the community
	<ul style="list-style-type: none"> Received a governance assessment, by Institute of Directors (IOD) and Thai Investors Association 	<ul style="list-style-type: none"> Advance and increase the efficiency in operations per principles of good governance
	<ul style="list-style-type: none"> Selected as the tier 1 member nationally and internationally, such as THSI, DJSI, and FTSE4Good Index 	<ul style="list-style-type: none"> Amendments to the charter, various compliance policies on corporate governance, combating corruption, sustainability policy, environment, and society to align with the international standards
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> Determine measures and transparently communicate on business operations during the COVID-19 epidemic Health and safety measures for those who attend meetings during the COVID-19 epidemic 	<ul style="list-style-type: none"> Develop measures and regularly and transparently communicate on results of the business operations to the shareholders during the COVID-19 epidemic Determine measures and guidelines in attending shareholders meeting in accordance with the disease prevention recommendations of the Department of Disease Control, Ministry of Public Health
Creditors	<ul style="list-style-type: none"> Strict compliance of the agreement and the conditions in relation to the creditors 	<ul style="list-style-type: none"> Acting in compliance under the agreement and the terms of the agreement where the compliance per the terms of the agreement will be supervised and managed by the originating body. If any issues arise that may risk damages to the overall image of the companies, their legal department or legal advisors will assist in such supervisory works When the issue of non-compliance arose between the companies and its creditors (partners) the companies had convened meetings to provide the creditors to exchange their views and experiences in order to find a way to mutually resolve the issues Where there were changes in policy, the companies will directly authorize the relevant bodies to deliver letters and carry out record keeping in order to create an understanding with the creditors in adhering to the companies' policies

Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
	<ul style="list-style-type: none"> Performance of obligations per the specifications 	<ul style="list-style-type: none"> Payments made to the creditors to the designated account following the agreed instalment or credit term, and per the conditions that are accurate, transparent, and on time. If there are any instances where the conditions are not being met, it would be notified to the originating body who will communicate with the creditor directly
	<ul style="list-style-type: none"> To report an accurate, transparent, and auditable financial position Report on any changes to the financial position of the companies that are accurate, transparent, and have been audited by a licensed auditor. 	<ul style="list-style-type: none"> Reports on the financial position of the companies in respect of the creditors, where accounting will keep a count of creditors whose payment deadlines have been missed each month, together with reasons for such occurrence, specify the amount of payment and deliver a notice confirming the amount owed to the creditor throughout the year, which differs to the recorded amounts, which will be liaised and notified to the creditor for the difference to be cleared, as well as disclosing the results of such process through the annual report every trimester. Apart from this, the creditors to whom outstanding amounts are owed will be audited by the auditor which was subsequently disclosed in its report
	Management approach during the outbreak of COVID-19	
	<ul style="list-style-type: none"> No damaging news on the COVID-19 epidemic The operation result of the Company is under control 	<ul style="list-style-type: none"> Determine COVID-19 prevention measures to produce positive results and boost confidence to the creditors

Investors can find more information on the Company's engagement with different stakeholder groups in the 2020 Sustainability Report.

3.3 Environmental Sustainability Management

3.3.1 Environmental Policies and Practices

"7 Go Green" for the Environment

The Company is committed to conducting business on the basis of environmental responsibility. By incorporating sustainability into its business operations, the Company is able to maintain business expansion whilst reducing environmental impact. Under the aforementioned principles, the Company has established "7 Go Green," a strategic framework for environmental protection and conservation. Such environmental policies and practices comply fully with local laws and regulations and align with the United Nation's Sustainable Development Goals (UN SDGs). The Company's environmental protection initiatives encapsulate upstream processes such as procuring sustainable raw materials from partners, designing packaging, selecting environmentally friendly materials, improving energy efficiency in production and logistics, and conserving water. Downstream, the Company also made efforts in reducing waste, recycling, and protecting natural ecosystems and biodiversity.

At present, the Company's "7 Go Green" strategy consists of four main points that are reflected throughout the value chain: 1) Green Store 2) Green Logistics, 3) Green Packaging, and 4) Green Living. Operational guidelines and goals are divided into three main trajectories:

- Reduced greenhouse gas emissions, increased equipment energy efficiency, increased use of renewable energy, increased transportation and distribution efficiency, adjusted packaging design to use less plastic, engaged stakeholders and partners to select packaging and materials from sustainable sources, reduced use of single-use plastics through the "All Thais, Together, Let's Stop Using Single-Use Plastic Bag" campaign, assessed organizational and product carbon footprints, encouraging the use of carbon labels, and cooperated with the government to develop "low carbon cities."
- Implemented initiatives to protect ecology and biological diversity, selected key raw materials from responsible sources (evaluated by sourcing assessments), stood firm against the encroachment of forest areas and marine resources, increased green spaces in areas of operation and communities, applied circular economy principles to waste management, and encourage recycling of waste products. In the last example, the Company recycled plastic waste and beverage boxes into furniture and roads for 7-Eleven stores. The Company also collaborated with the private sector to use these wastes to create tables and chairs for students in disadvantaged schools.
- Managed water resources, increased efficiency of water use per unit of income, the increased amount of water reused, implemented water stress risk assessments in operating areas and amongst the Company's "Critical Tier 1 Suppliers," and implemented other water management measures as appropriate.

3.3.2 Environmental Protection and Conservation Performance

In 2020, the Company reduced an equivalent of 22,298 tons of carbon dioxide. This successful reduction of greenhouse gas emissions was implemented by increasing the energy efficiency of its equipment. The Company also increased its use of renewable energy, equal to a total of 25,297 megawatts per hour (MWh). In encouraging customers to reject plastic bags, the Company saved a total of 2,935 million bags, which reduces greenhouse gas emissions equal to 81,225 tons of carbon dioxide. Additionally, the Company has donated Baht 239,119,731 to promote health in communities and to support communities in far remote areas.

Since 2019, the Company has made progress in protecting ecosystems and biodiversity, used key raw materials from responsible sources, and stood firm in refusing to encroach upon forest areas and marine resources. For instance, the Company implemented an ecological restoration project where it planted a total of 15,706 perennials. In abiding by the principles of the circular economy, the Company was able to reduce a total of 43.92 tons of waste sent to landfills by recycling plastic waste. Furthermore, the Company has implemented risk assessments in all areas of its operations or 100 percent of operating areas, making it able to reduce 17.46 percent of water consumption per unit, which meets its set target.

In any case, the Company is well-aware of the severity of climate change and international joint efforts to mitigate the issue. To contribute to such efforts, the Company has established the "7 Go Green" strategic framework, disclosing transparent and verifiable information on business performance through an internationally recognized reporting standard (the Global Reporting Initiative, or GRI standard) and other environmental indicators (e.g., the Carbon Disclosure Project, or CDP). The Company has also implemented risk assessments and established various measures to evaluate its potential impact on climate change, seriously considering environmental aspects when assessing acquisitions and mergers. It conducts risk and opportunity analysis assessments in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), an international assessment framework. Furthermore, the Company considers the status and reduction targets of greenhouse gas emissions in order to set goals and action plans for 2020 to 2030. Such goals and action plans are segmented into short-term (1 year), medium-term (3 to 6 years), and long term (10 years).

3.4 Social Sustainability Management

3.4.1 Social Policies and Practices

Creating and Sharing Opportunities for All

The Company recognizes the crucial role that society plays in supporting sustainable development. Therefore, it announced a corporate social responsibility policy in 2017, which focuses on education and other various aspects of society, in line with the United Nation's Sustainable Development Goals (SDGs). To date, the Company has continued its contribution to society, whether in normal circumstances or abnormal ones, such as during natural disasters or epidemics. In addition, the Company has established policies on human rights and labor practices, such as assigning roles responsible for human rights watch and laying down procedures for auditing human rights operations. The latter includes remedial measures as well as whistleblowing channels, which are fully communicated to all employees and periodically promoted.

Moreover, the Company has policies dealing with workplace diversity and inclusion, occupational health and safety, work environment, as well as guidelines for trading partners, the last of which emphasizes compliance with rules and regulations, adherence to principles of human rights and fair labor practices, and reduction of environmental impact.

The Company is dedicated to effective social action as it considers stakeholder concerns, expectations, and recommendations, corporate performance, organizational strengths (distribution channels), and business expertise. Recognizing the importance of career support, the Company aims to be an effective distribution channel for farmers, small and medium enterprises (SMEs), and small entrepreneurs. These initiatives are in line with the Company's mission to "Create and Share Opportunities for All," contributing to the shared value of the economy's foundation, generating income for small and medium entrepreneurs (SMEs), community enterprises, small entrepreneurs, farmers in the supply chain, and vulnerable groups, and increasing product distribution channels (both through 7-Eleven stores and online platforms). For instance, the Hom Thong Banana project, the fresh-cut fruits and vegetables initiative, and the ALL Fresh seasonal fruit project.

3.4.2 Societal Impact

In 2020, the Company successfully supported careers by generating income for small and medium enterprises (SMEs), community enterprises, small entrepreneurs, and farmers in the supply chain. Examples are the Hom Thong Banana Project, the fresh-cut fruits and vegetables and salads initiative, the ALL Fresh seasonal fruits project, amounting to a total of 60,870 initiatives totaling 10,658 million baht. Additionally, CPRAM Co., Ltd. implemented a sustainable agriculture project, providing knowledge on good agricultural practices (GAP) and purchasing agricultural produce at fair prices. CPRAM also successfully established opportunities for people to make a career out of basil cultivation. Simultaneously, CP Retailink Co., Ltd., operated a series of sustainable coffee-related projects in support of vulnerable groups. In cooperation with government agencies, CP Retailink established the Red Roof Coffee Shop and the "1 Baht for 1 Cup" project, offering knowledge on coffee bean cultivation and processing as well as providing occupational equipment for people in the Nan province. In addition to buying coffee beans at fair prices, CP Retailink recruited patients recovered from psychiatric treatment to work in the coffee shop and donated 1 baht from every cup of coffee sold to the public. All of these projects generated income for 2,944 farmers and vulnerable groups.

Below is a summary of the projects through which the Company made societal impact:

- 1) Supported a total of 63,814 careers by generating income for farmers, small and medium enterprises (SMEs), small entrepreneurs, and vulnerable groups, totaling 10,742 million baht
- 2) Provided 1,412 million baht worth of scholarships, enabling 39,690 students access to educational opportunities, careers, and better futures
- 3) Gave 144,802 people safe drinking water and nutritious foods

Furthermore, in 2020, the Company conducted ethics training for a total of 487 trade partners, ensuring comprehensive understanding of the principles of sustainability and the Company's expectations. The Company also passed a total of 510 Suppliers' Self-assessment Questionnaires (SAQ) to evaluate suppliers' performance on sustainability. 90 Tier 1 suppliers and 47 high-risk partners had their area of operations examined. Through these actions, the Company shows its dedication towards the environment and social action and intention to grow sustainably with its business partners. By continuously exchanging know-how and expertise with its trade partners, the Company is able to maintain positive, value-added long-term relationships. For instance, the Company has shared its innovative agricultural expertise with its business partners who are farmers. This is done by establishing a team responsible for conveying the know-how, organizing training and joint product development sessions, continuously setting up meetings where different parties can exchange ideas, and developing joint business plans. Such actions help foster good relationships with trade partners.

Due to COVID-19, the Company has also continued implementing its "Kon Thai Mai Ting Gun" financial aid program along with other existing projects such as the "Every Meal at 7-Eleven is Full of Value." Other initiatives include helping to alleviate the cost of living for people, providing medical equipment, such as personal protective equipment (PPE) and face masks to medical personnel, implementing the SBP store cleaning program, and giving waivers for various fees at certain periods.

Investors can find more detailed information in the Company's 2020 Sustainability Report.



Management Discussion and Analysis

4. Management Discussion and Analysis (MD&A)

4.1 Analysis of Financial Position and Operating Results

Overview of Operating Performance

Due to COVID-19, the economy is speculated to contract at minus 6 percent in 2020. The effects of the coronavirus are expected to be widespread and continuous throughout 2020. The service sector, especially the travel and tourism sector, is expected to slow down significantly. Due to last year's trade wars, exports, a key driver of Thailand's economy, have already declined. At the same time, factors such as the water and weather crisis are affecting incomes both in and outside the agricultural sector, which in turn affects business and employment. All in all, these aforementioned factors are expected to impact people's income, purchasing power, even whilst households retain a high level of debt. COVID-19 has ushered in rapid changes in consumer behavior, particularly shopping behaviors under the new normal standard. Retailers have been proactive in transforming its online platform into a sales platform that can continue to satisfy customer needs. The overall Thai retail business in 2020 is expected to contract by 6 percent, with a total value of approximately 3.3 trillion baht, while e-commerce retail is expected to expand approximately 37.5 percent with a proportion of 6 percent to Thai retail business. (Kasikorn Research Center and Euromonitor)

In 2020, the 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. The Company's total revenues and net profit were 546,590 million baht, and 16,102 million baht or decreased 4.3 percent and 27.9 percent from last year respectively which reflected the impact of economic negative factors caused by COVID-19 as mentioned above (please find additional details of the impact of COVID-19 pandemic in note 5 to financial statements.)

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 serving ready-to-eat food products with freshness, cleanliness, and safety, as well as developing 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 2020, the Company had a total of 12,432 stores nationwide, increasing 720 stores from last year.

Changes in Accounting Policies

From January 1, 2020, the Company has initially adopted TFRS-Financial instruments standards which comprise TFRS 9 "Financial Instruments" and relevant standards and interpretations and TFRS 16 "Lease" and disclosed impact from changes to significant account policies in note 3 to financial statements.

Analysis of Operating Results for the Year Ended December 31, 2020 compared to the Operating Results for the Year Ended December 31, 2019

Total Revenues

In 2020, CPALL's total revenues were 546,590 million baht, decreased by 4.3 percent from last year.

Sales revenue and services income were 525,884 million baht, decreased by 4.5 percent from last year. Convenience store business was significantly affected by economic negative factors and lower consumer purchasing power, as well as the impact of COVID-19 control measures resulting in a decrease in the number of customer footfall

to stores. While the cash & carry business under the name “Siam Makro” can maintain a certain growth in revenue from sales and services which are driven by the sales growth of the Makro Thailand and stores in India and Cambodia.

Others were interest income, foreign exchange gain, and other income a total of 20,706 million baht, an increase of 2.5 percent YoY. This was mainly due to an increase in sale promotion income from convenience store business and Makro. Meantime, net foreign exchange gain was up 122 million baht from the previous year, resulting from the difference in net exchange rates of foreign currency assets and liabilities as of December 31, 2020.

Total revenues before elimination contributed from three businesses were, (Group 1) convenience store business accounted for 55 percent (Group 2) membership-based Cash & Carry trade centers accounted for 37 percent, and (Group 3) other businesses in Thailand accounted for 8 percent. However, the income proportion of (Group 2) and (Group 3) increased from the previous year due to the higher income while (Group 1) the income decreased compared to the previous year.

Gross Profit

In 2020, CPALL’s gross profit was 115,004 million baht, decreased by 7.9 percent from last year. This was mainly due to the drop in sales revenue of the convenience store business, especially products with a higher gross margin while Makro business can sustain gross profit growth. From a decrease in gross profit of the convenience store business resulted in the gross profit margin of CPALL fell to 21.9 percent from 22.7 in 2019.

Distribution Costs and Administrative Expenses

In 2020, CPALL’s distribution costs and administrative expenses fell to 107,858 million baht, decreased by 3.3 percent from last year.

Distribution costs were 91,136 million baht or down 2.4 percent YoY. Amidst the economic slowdown and challenging revenue from sales including striving to achieve its long-term plan in regard to store expansion, to overcome these challenges, CPALL managed and implement a stringent and efficient cost control. The lower expenses mainly came from employee benefits expense, store management fees, and others supply used. In addition, from January 1, 2020, CPALL initially applied financial instruments standards – TFRS 16 Leases and recognized right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because CPALL recognized depreciation of right-of-use assets and interest expense on lease liabilities instead of rent expense as previously.

Administrative expenses were 16,723 million baht or down 8.0 percent YoY. The lower expenses mainly came from employee benefits expense including a pause on the Employee Joint Investment Program (EJIP) in order to alleviate impacts and troubles for employees and their families from the pandemic of COVID-19.

Profit before Tax and Net Profit

In 2020, profit before tax was 19,262 million baht, down 28.0 percent YoY. Net profit was 16,102 million baht, down 27.9 percent from last year. This was mainly due to an effect of weak economic factors resulted from the COVID-19 pandemic as mentioned above, including an increase of finance cost resulted from the adoption of TFRS 16. CPALL’s earnings per share in the consolidated financial statement in 2020 was 1.68. baht

Profit before tax before elimination be contributed from three businesses in 2020 were (Group 1) convenience store business accounted for 54 percent (Group 2) membership-based Cash & Carry trade centers accounted for 29 percent, and (Group 3) other businesses in Thailand accounted for 17 percent. Profit contribution of (Group 2) and (Group 3) increased YoY due to the higher profit growth compared with (Group 1), the profit decreased YoY. This is because the convenience store business is significantly impacted by negative economic factors.

Operating Results by Business Segments

Convenience Store Business

In 2020, CPALL 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 year, which during 2020 CPALL has successfully opened 720 new stores. At the end of 2020, CPALL operated 12,432 stores nationwide, which can be broken down into 5,685 corporate stores (46 percent of total stores), an increase of 470 stores, 5,919 SBP stores (47 percent of total stores), an increase of 232 stores, and 828 sub-area stores (7 percent of total stores) an increase of 18 stores.

Regarding products and services, CPALL strived to become “the convenience food store of Thais” with the continuous improvement in food and beverages and new products. These products have received great feedback from customers as lifestyles get busier and looking for convenience. In 2020, food and beverage products accounted for 71.4 percent of the sales mix, while non-food items (excluding phone cards) accounted for 28.6 percent. The sales mix from both groups was similar to the previous year.

In 2020, the convenience store business had total sales revenue and service income of 300,705 million baht, decreased by 33,356 million baht or 10.0 percent YoY. Meanwhile, SSSG was minus at 14.5 percent in 2020 and posted average sales of 70,851 baht per store per day. In 2020, the average spending per ticket was at 75 baht and there were 949 customer visits per store per day. Nevertheless, the COVID-19 pandemic has ushered in changes in consumer behavior. In the midst of these changes, the convenience store business has been proactive in transforming its business strategy at this crucial time in order to maintain existing customer base and to cover new customer base. 7-Eleven products can now be accessed through different channels and platforms under the concept of convenience. Customers can access through physical stores, vending machines, as well as online platforms i.e. ALL Online via 7-Eleven.TH application, ShopAt 24, including on-demand delivery via Line or 7-delivery application, where customers can choose to receive their products at their chosen destination or at a 7-Eleven store. CPALL’s efforts resulted in great revenue from sales but it was not great enough to overcome physical store sales fall from COVID-19 impact.

Gross profit amounted to 83,724 million baht, decreased by 10,103 million or 10.8 percent YoY, yet gross profit margin decreased to 27.8 percent from 28.1 percent in 2019. The main reason is revenue from sales of products and services not meeting the target resulting in lower operating leverage at distribution centers. In addition, the contribution of revenue from sales of high-margin products declined.

Meantime, other income of the convenience store business increased to 20,572 million baht in 2020, or an increase of 652 million baht or 3.3 percent from last year as mainly from higher sales promotion income from co-promotion campaigns with suppliers under unfavorable economic factors together with a decline in consumer purchasing power in order to boost sales such as premiums redemption and point collection campaign.

Distribution cost and administrative expenses were 89,134 million baht in 2020 or a decrease of 3,343 million baht or 3.6 percent YoY. CPALL strived to control expenses tightly and to be as efficient as possible, although 7-Eleven maintained new store roll-out at 720 stores, as well as offering different channels and platforms for its customers. The lower expenses mainly came from employee benefits expense, store management fees. However, the separate financial statement recognized additional depreciation and amortization as well as finance cost instead of rent expense as previously due to an initially apply financial instruments standards – TFRS 16 Leases.

Operating profit of the convenience store business was 22,415 million baht, decreased by 20.9 percent from last year, while net profit was 14,298 million baht, decreased by 29.1 percent YoY.

Other Businesses

Other businesses comprise bill payment services, manufacturing, and sale of ready-to-eat food and bakery products, distribution and maintenance of retail equipment, 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, as well as build up revenue growth in the future.

In 2020, profit before tax was 4,543 million baht, increased by 9.4 percent from last year.

Cash & Carry Trade Centers

In 2020, Cash & Carry Trade Centers profit before tax was 8,051 million baht increased by 7.3 percent YoY due to an increase of revenue from sales together with well management of operating expenses. (Note: investors can find additional details in MD&A for the year 2020 of Siam Makro)

Non-recurring Item and other Income

In 2020, other income increased to 20,323 million baht, an increase of 512 million baht from last year, or 2.6 percent YoY following sales and service revenue growth. Sales promotion income was 12,674 million baht, increased by 9.2 percent. Income on royalties and other fees relating to license income rose to 2,284 million baht, down 2.6 percent YoY, and other income, for example, ATM installation and mobile phone's top-up card booth amounted to 5,365 million baht, down 8.4 percent YoY.

Analysis of the Company and its Subsidiaries' Financial Status for the Year Ended December 31, 2020

Total Assets

As of December 31, 2020, the Company and its subsidiaries reported total assets of 523,354 million baht, an increase of 147,737 million baht or 39.3 percent compared to last year. This was largely from an increase of investment in associate, right-of-use assets, and cash and cash equivalents amount 85,552 million baht, 52,899 million baht, and 10,729 million baht respectively. Assets with significant changes are as follows:

Cash and cash equivalents were 40,589 million baht, or 7.8 percent of total assets, an increase of 10,729 million baht or 35.9 percent YoY due to the procedure of bond issuance by the end of the third quarter to repay the maturing bond in the next twelve months.

Trade accounts receivable was 1,650 million baht, or 0.3 percent of total assets, down by 68 million baht or 3.9 percent YoY. The majority of trade account receivable came from Siam Makro. However, The Company's main business revenues received in cash, consequently average collection period was 1.15 days.

Other current receivable was 7,178 million baht, or 1.4 percent of total assets, down by 551 million baht or 7.1 percent YoY due to sales fall through. The majority of receivables were from accrued income, sales promotion income, royalties income, service income, and advance payment.

According to the aging analyses for trade and other accounts receivable, 98 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 the analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Inventories were 31,749 million baht, or 6.1 percent of total assets, up by 211 million baht or 0.7 percent YoY following higher sales revenue. Thus, the inventory turnover ratio decreased to 12.98 times in 2020 from 13.94 times in 2019.

An allowance for losses is made for all deteriorated, damaged, obsolete, and slow-moving inventories.

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 2020, investments in subsidiaries were 201,010 million baht, up by 1,483 million baht or 0.7 percent YoY. This was due to increase investment in Subsidiary company, namely All Corporation Co., Ltd., which using the proceed to invest in a joint venture company which operates the business of distributing health and beauty products under the trademark “Guardian” in Thailand; All Wellness Co., Ltd., which using the procedure for its business expansion plan in robotic, AI, and digital health; Albuera International Limited which using the proceed to invest in indirect subsidiaries who obtained franchising right in the operation of 7-Eleven convenience stores in Cambodia and Laos; Lotus Distribution Investment Limited which using the proceed to invest in additional capital in its subsidiaries that engages in investment, trade, education and support future business expansion in China.

Property, plant, and equipment amounted to Baht 120,199 million, or 23.0 percent of total assets, up by Baht 4,117 million or 3.5 percent YoY. This was from the 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 128,096 million baht, or 27.2 percent of total assets, at the same level as last year. Most of the goodwill arose from the Company’s purchase of shares of Siam Makro Public Company Limited both directly and indirectly, and arose from Siam Makro Public Company Limited’s purchase of shares at 80 percent shareholding each of four companies, namely 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 2013, 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 51,706 million baht, or 11.1 percent of total assets, a majority of which was an intellectual property amount 46,521 million baht 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 amortization 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.

Total Liabilities

As of December 31, 2020, the Company and its subsidiaries had total liabilities of 411,759 million baht, increased by 144,510 million baht. Liabilities with significant changes are as follows:

Trade accounts payable were 72,778 million baht, or 17.7 percent of total liabilities, down by 5,772 million baht due to lower purchase of goods due to sales fall through.

Interest-bearing liabilities were 292,968 million baht, or 71.2 percent of total liabilities, up by 147,263 million baht or 101.1 percent YoY. This was mainly due to the increase in short-term and long-term borrowing from financial institutions, including a record of contract liabilities under an adoption of TFRS 16 in 2020.

Deferred tax liabilities were Baht 14,947 million, or 3.6 percent of total liabilities, down by Baht 57 million due to fair value adjustment of asset acquired from the business combination of Siam Makro. Deferred tax is recognized 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 realized 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 of December 31, 2020, the Company had total shareholders' equity of 111,595 million baht, an increase of 3,227 million baht or 3.0 percent from last year. This was mainly due to an increase in profit from business operation during the year 2020 and dividend payments to shareholders for the fiscal year of 2019.

Analysis of Statements of Cash Flows, Liquidity and Sources of Funds of the Company and its Subsidiaries for the Year Ended December 31, 2020, Compared to the Year Ended December 31, 2019

Liquidity

As of December 31, 2020, the Company reported cash and cash equivalent of 40,589 million baht, accounting for 8.6 percent of the Company's total assets. Nevertheless, the Company's liquidity remained healthy from efficient working capital management, having negative cash cycle of 37 days in 2020 which resulted from inventory period of 28 days, payable period of 66 days, and receivable period of 1 day.

Cash Flow from Operating Activities

In 2020, net cash flow from operating activities totaled 39,148 million baht, down 3.3 percent from the same period of last year. This was caused by lower net profit for the year 2020 according to an impact as mentioned above.

Cash Flow from Investing Activities

In 2020, net cash flow used in investing activities amounted to Baht 97,405 million. The main activity was cash outflow on investment in the associate. This was an indirect investment up to 40 percent of total issued shares made through special purpose vehicle which set up to invest in Tesco Stores (Thailand) Co., Ltd., and Tesco Stores (Malaysia) Sdn. Bhd. totaling 80,936 million baht, as well as the cash outflow for the acquisition of property, plant, and equipment totaling 15,387 million baht which 11,769 million baht cash outflow for convenience store business.

Cash Flow from Financing Activities

In 2020, net cash flow used in financing activities totaled 68,959 million baht. Net cash from financing activities was mainly from proceeds from long-term borrowings from financial institutions and proceeds from the issue of debentures. Meantime, net cash used in financing activities was mainly from interest payment, dividend payment, as well as repayment of matured issuing debentures, and so on.

Financial Ratio Analysis

Net debt to equity

As of December 31, 2020, the Company net debt to adjusted equity according to the definition of debenture covenants were at 1.62 times, increased from 0.94 times in 2019 since the Company has added long-term financial institutions loan in order to invest in associates.

As of December 31, 2020, the Company outstanding debentures were at 152,996 million baht. The Company is obligated to comply with debenture covenants with net debt to equity ratio a based on the consolidated financial statements for the period ended December 31, of each year which audited by the Company's auditor. Therefore, net debt to equity is expected to be lower, while the Company is obligated to comply with debenture covenants ; 5 times in 2016, 3.5 times in 2017, 2.5 times in 2017, and 2.0 times in 2018 onward.

Debt-Service Coverage Ratio¹

As of December 31, 2020, the Company's debt-service coverage Ratio was at 1.71 times down from 2.80 times in last year. This was mainly due to the increase of long-term borrowing from financial institutions, including a record of contract liabilities under an adoption of TFRS 16 in 2020 leading to a high increase of debt.

Interest Coverage Ratio²

As of December 31, 2020, the Company's interest coverage ratio was at 5.69 times down from 6.65 times in 2019 as a result of a decrease of operating profit due to COVID-19 impact as well as an increase of finance cost due to contract liabilities under an adoption of TFRS 16,

Liquidity Ratio and Quick Ratio

As of December 31, 2020, the Company's liquidity ratio was 0.66 times, at the similar level to last year. Meantime, the quick ratio was at 0.34 time slightly higher from the previous year.

Return on Shareholder's Equity

In 2020, the Company's return on shareholder's equity decreased to 14.6 percent compared with 21.5 percent in last year. The DuPont Analysis is as follow:

The DuPont Analysis	2019	2020
Profit Margin (percent)	3.91	2.95
Total Asset Turnover (times)	1.52	1.22
The Equity Multiplier (times)	3.60	3.85

1 Calculated by profit before interest, tax, depreciation, and amortization / short-term interest bearing debt + current portion of long-term interest bearing debt

2 Calculated by profit before interest, tax, depreciation, and amortization / interest expenses

4.2 Factors or situations which may significantly impact Operating Results and Financial Status of the Company and its Subsidiaries in the Future

CPALL regards the economy, purchasing power, and the ever-changing customer demand along with technological advancement as major factors that impacts the Company's performance, revenue, expense, 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 proportion of the higher gross profit margin products such as ready-to-eat food and fresh coffee also reaffirm our dynamic store expansion plan in order to reach higher number of customers.

However, the economy which has been affected by the COVID-19 and becomes with the new strategy, calls "New Normal". The Company endeavors to understand customer's perspective in many aspects and incorporates them in both short-term and long-term strategy in order to respond and satisfy current customer's expectation as well as future expectation, under the slogan of "All Convenience – Convenience and complete in one place" including "Convenient to buy, pay, and receive" to fully support digital lifestyle.

In 2020, CP ALL (Cambodia) Co., Ltd., and CP ALL LAOS Co., Ltd., (indirect subsidiary, 100% holding by Albuera International Limited which is the Company's direct subsidiary with 100% shareholding) entered into a Master Franchise Agreement with respect to the operation of 7-Eleven Stores in Cambodia and Lao People's Democratic Republic respectively. In accordance with the entering into Master Franchise Agreement, enhanced opportunity to expand our convenience store in neighborhood countries. Nevertheless, as of December 31, 2020, the COVID-19 pandemic has not been solved, and still have International Entry and Exit Screening measure, therefore, the Company will start to operate in those countries once the COVID-19 situation is resolved.

Regarding other businesses such as bill payment services, deposit, and withdrawal agents, manufacturing and sale of ready-to-eat food, selling, and maintenance of retail equipment, along with many projects including 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 to support them to grow along with the Company which increases 7-Eleven performance to be efficiency and creates differentiated products and services from competitors, resulting in higher the Company's revenue. Entirely, the performance of other businesses mentions above will grow together with the expansion of 7-Eleven.

For Siam Makro business and store business in form of discount store, supercenter and hypermarket which operates retail sale of consumer products, space rental in mall and other services in Thailand and Malaysia which the Company invest in 2020 (indirect investment in proportion of up to 40% of total number of issued shares through special purpose vehicle which established for invest in Tesco Stores (Thailand) Limited and Tesco Stores (Malaysia) Sdn. Bhd. These businesses have potential growth in the future with high competitiveness. 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.

4.3 Key Financial Information

Items (Unit : Million Baht)	2018	2019	2020
Statement of income			
Revenue from sale of goods and rendering of services	508,212	550,901	525,884
Other income	18,962	20,209	20,706
Total revenues	527,174	571,110	546,590
Cost of sale of goods and rendering of services	394,632	426,063	410,880
Gross Profit	113,581	124,838	115,004
Distribution costs and Administrative expenses	100,195	111,562	107,858
Profit from operating activities	32,347	33,485	27,852
Finance costs	7,196	6,721	8,526
Share of loss of associate accounted for using equity method	-	-	63
Profit before income tax expense	25,152	26,764	19,262
Income tax expense	3,969	4,070	2,759
Non-controlling interests	(253)	(351)	(400)
Net Profit	20,930	22,343	16,102
Statement of financial position			
Total assets	373,742	375,617	523,354
Total current assets	74,994	71,923	81,404
Cash and cash equivalents	34,023	29,861	40,589
Current investments	1,467	659	37
Trade accounts receivable	2,040	1,718	1,650
Other current receivables	7,406	7,729	7,178
Inventories	29,570	31,538	31,749
Other current assets	487	419	201
Non-current assets	298,748	303,694	441,950
Investment in related company	34	34	34
Investment in associate	-	-	85,552
Other long-term investments	-	2	2
Other non-current receivables	1,380	1,576	171
Net fixed assets	111,620	116,415	120,531
Investment properties	333	333	333
Property, plant and equipment	11,287	116,082	120,199
Goodwill	128,096	128,096	128,096

Items (Unit : Million Baht)	2018	2019	2020
Right-of-use assets	-	-	52,899
Leasehold rights	4,107	3,917	-
Intangible assets other than goodwill	51,435	51,384	51,706
Deferred tax assets	1,002	1,291	1,786
Other non-current assets	1,054	979	1,172
Total liabilities	273,923	267,250	411,759
Total current liabilities	123,752	112,917	123,383
Short-term borrowings from financial institutions	3,583	3,327	1,050
Trade accounts payable	78,790	78,550	72,778
Other payables	15,414	15,170	14,800
Current portion of debentures	22,994	12,290	14,501
Current portion of long-term borrowings from financial institutions	94	239	5,325
Other current liabilities	2,876	3,342	14,930
Total non-current liabilities	150,171	154,333	288,377
Debentures	117,884	120,594	138,495
Long-term borrowings from financial institutions	9,010	8,599	83,008
Lease liabilities	698	549	43,183
Deferred tax liabilities	15,088	15,004	14,947
Other non-current liabilities	7,492	9,586	8,744
Total equity	99,819	108,368	111,595
Equity attributable to equity holders of the Company	84,831	93,739	96,759
Non-controlling interests	14,988	14,629	14,836
Perpetual subordinated debentures	19,909	19,909	19,909
Statement of cash flows			
Net cash from operating activities	41,227	40,477	39,148
Net cash used in investing activities	(15,354)	(16,584)	(97,405)
Net cash from (used in) financing activities	(20,714)	(27,938)	68,959
Net increase (decrease) in cash and cash equivalents	5,144	(4,162)	10,729
Cash and cash equivalents at 31 December	34,023	29,861	40,589
Liquidity Ratios			
Current Ratio (times)	0.61	0.64	0.66
Quick Ratio (times)	0.30	0.29	0.34
Cash Flow Liquidity Ratio (times)	0.27	0.26	0.33
Account Receivable Turnover (times)	279.19	293.22	312.26

Items (Unit : Million Baht)	2018	2019	2020
Average Collection Period (days)	1.29	1.23	1.15
Inventory Turnover (times)	13.86	13.94	12.98
Average Sale Period (days)	25.97	25.82	27.72
Account Payable Turnover (times)	5.14	5.42	5.43
Average Payment Period (days)	70.03	66.47	66.29
Cash Cycle (days)	(42.77)	(39.43)	(37.42)
Profitability Ratios			
Gross Profit Margin	22.3	22.7	21.9
Operating Profit Margin	6.1	5.9	5.1
Net Profit Margin	4.0	3.9	2.9
Debt to Equity Ratio (times)	1.19	1.06	2.26
Debt to Equity Ratio by definition of Terms and Conditions (times) ³	1.04	0.94	1.62
Debt to EBITDA (times)	2.78	2.58	5.20
Debt to EBITDA (times) ⁴	2.76	2.56	4.16
Return on Assets (%)	5.7	6.0	3.6
Operating Efficiency Ratios			
Return on Assets (%)	5.7	6.0	3.6
Return on Fixed Assets (%)	29.6	29.4	23.5
Assets Turnover (times)	1.44	1.52	1.22

3 Calculated by interest-bearing debt excluding lease liabilities, deduct cash and cash equivalents and current investments / (shareholders' equity + deferred tax liabilities – deferred tax assets).

4 Calculated by interest-bearing debt excluding lease liabilities deduct cash and cash equivalents and current investment / profit before interest, tax, depreciation, and amortization



General Information and Other Key Information

5. General Information and Other Key Information

5.1 General Information – 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	Ms. Munchupa Singsuksawat Certified Public Accountant Registration No. 6112 KPMG Poomchai Audit Ltd. 1, Empire Tower, 50 th -51 th Floor Sathorn Road, Sathorn District, Bangkok Telephone : 0 2677 2060
The Registrar and Bondholder Representative	<u>Debenture No.1/2013</u> The registrar – Krungthai Bank Public Company Limited 977/3, SM Tower 4 th Floor, Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400 Telephone : 0 2298 0830 Ext. 129 Bondholder Representative – Siam Commercial Bank Public Company Limited, Building 2, 3 rd Floor, No. 1060 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400 Telephone : 0 2256 2316 <u>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</u> The registrar and bondholder representative – Krungthai Bank Public Company Limited 977/3 SM Tower 4 th Floor, Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400 Telephone : 0 2298 0830 Ext. 129 <u>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</u> The registrar – Krungthai Bank Public Company Limited 977/3 SM Tower 4 th Floor, Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400 Telephone : 0 2298 0830 Ext. 129

5.2 Other Key Information

5.2.1 Other information that may materially affect the decision of investors

A summary of the Area License Agreement between the Company and 7-Eleven, Inc. and the Initial Public Offering (IPO) Consent Agreement and its third amendment between the Company, C.P. Group, and 7-Eleven, Inc.

The Company entered into an Area License Agreement with 7-Eleven, Inc. (formerly known as “The Southland Corporation”) on 7 November 1988. Under this Agreement, the Company has the rights to operate a convenience store retail business under the trademark “7-Eleven” in Thailand. The Agreement also stipulates that 7-Eleven, Inc. has given exclusive rights to the Company to operate in Thailand using the 7-Eleven system, trademark, and trade secrets and/or is liable to grant individual sublicenses on a case-by-case basis. Additionally, terms and conditions in the Agreement state that the Company has non-exclusive rights to use various 7-Eleven ancillary trademarks and are liable to receive training services and various technical support. The Company is liable to pay monthly license royalty compensation fees to 7-Eleven, Inc., which amounts to a percentage of total monthly sales, calculated according to details stipulated in the Agreement.

In addition to the abovementioned, the Company is liable to comply with the terms and conditions mentioned in the Agreement. Below is a summary of the main points of the Agreement:

1. The Company will maintain the minimum number or percentage of operating stores as specified in the Agreement throughout the contract period. If the Company is unable to do so, 7-Eleven, Inc. has the right to assume operations of the stores or transfer operation rights to other parties without the action being considered a breach of agreement with the Company (as of the end of 2020, there are a total of 12,432 7-Eleven stores in operation, higher than the minimum number of stores required to maintain the contract).
2. The Company will not transfer the rights stipulated in this Agreement, either in whole or in part, without prior written consent from 7-Eleven, Inc.
3. The Company will not issue any additional shares or other securities that can be converted into shares nor transfer any shares or any share-related benefits without prior written consent from 7-Eleven, Inc.
4. The Company will indemnify and defend 7-Eleven, Inc. from claims, damages, fines, liabilities (including liabilities from labor laws), and litigations, amongst other expenses incurred by the terms stipulated in the Agreement.
5. The Company will take all necessary steps to protect the goodwill and trademark reputation of 7-Eleven. If the Company fails to do so, it will be liable to pay 7-Eleven, Inc. for the damages incurred, calculated based on monthly gross sales as specified in the Agreement, applicable during the period when the Company was in breach of the Agreement or in the process or court or arbitration.
6. In the case that the Company's securities are not traded on the stock exchange and it receives tender offers or offers for asset ownerships, if the Company decides to accept such offers, it will let 7-Eleven Inc. exercise its right to consider buying these offers first. In this case, 7-Eleven may exercise its right to buy first within 60 days after being notified by the company. If 7-Eleven does not exercise its rights, the Company has the right to sell the business or ownership of the said assets to other offerors. In this case, the Company is responsible for: (a) Transferring the rights stipulated in the Agreement to other offerors and indemnifying 7-Eleven, Inc. for any damages incurred, (b) paying any outstanding payments to 7-Eleven, Inc. in full, and (c) proceed to let the offeror perform the next steps according to the conditions stipulated in the Agreement.

The Agreement does not have a definite termination date but may end if it is breached. Below are cases that are considered breaches of the Agreement:

1. The Company fails to resolve any due payments within 30 days from the date 7-Eleven, Inc. has notified the Company of the issue. In such cases, the Agreement will be terminated immediately without any requirement of a written notice from 7-Eleven, Inc.
2. 7-Eleven, Inc. has the right to terminate this Agreement in the following cases: (a) The Company files for bankruptcy, files for its assets to be frozen, undergoes organization restructuring, or has to undergo such similar cases, (b) the Company has been sued for bankruptcy and has not resolved the issue in the period specified in the Agreement, (c) 7-Eleven is of the view that the Company is unable to resolve its debts as scheduled, (d), the Company transfers its rights for the benefits of its creditors or is unable to pay its license royalty fees for over 180 days due to force majeure, (e) government agencies in Thailand does not approve international money transfers for 7-Eleven, Inc. or do not approve the use of 7-Eleven, Inc. trademarks. In the case that 7-Eleven, Inc. trademarks are

unable to be used in Thailand, other parties in the Agreement will either agree to use new trademarks or 7-Eleven may choose to terminate this Agreement.

3. The Company reserves the right to terminate this Agreement in the event that 7-Eleven, Inc. has made a significant breach of the agreement for 30 consecutive days after the Company has notified 7-Eleven, Inc. of the issue. In such an event, the Company is responsible for communicating its intention to terminate the Agreement with 7-Eleven, Inc. as well as comply with certain conditions as specified in the Agreement.

If this Agreement is terminated for any reason except for a termination instigated by the Company due to 7-Eleven's breach of contract, 7-Eleven, Inc. has the right to purchase products, equipment, land, buildings, and/or other assets from the Company. Furthermore, the Company will transfer all related licenses to 7-Eleven, Inc. The Company is also responsible for paying any tax and property transfer fees and must stop using all 7-Eleven trademarks, trade secrets, and the 7-Eleven system. All 7-Eleven trade secrets must be returned or destroyed, including all manuals and copies of documents as requested by 7-Eleven, Inc.

If this Agreement is terminated for any reason except for a termination instigated by the Company due to 7-Eleven's breach of contract, the Company and parties directly or indirectly connected with the Company, including shareholder representations, will not operate in the convenience store business for a period of at least 7 years after the termination of the Agreement. This stipulation is applicable for the United States and any country in the world where 7-Eleven, Inc. operates, has franchises in, or has transferred its rights to another party. The exception is in the case that 7-Eleven, Inc. or a person appointed by 7-Eleven, Inc. does not exercise their rights to acquire further business from the Company.

The Area License Agreement stipulates that if the Company decides to sell its shares to the public or any persons by listing its shares on the stock exchange, the Company must promptly notify 7-Eleven, Inc. of the terms of the offer, including all relevant information. 7-Eleven will agree to authorize the abovementioned offer under certain conditions, including the condition that at the time of the offering of shares, the number of shares offered for sale must not exceed 49 percent of the registered capital. The issuance and offering of shares are considered authorized by 7-Eleven, Inc. when it aligns with the terms and conditions stipulated in the Initial Public Offering (IPO) Consent Agreement, whose main points are outlined below:

According to the Area License Agreement, 7-Eleven, Inc. has given its consent to the Company's public offering, which includes the listing of shares in the stock exchange when it entered into an IPO Consent Agreement with the Company and C.P. Group on August 20, 2003. The Company and 7-Eleven, Inc. have also agreed to amend certain parts of the IPO Consent Agreement. C.P. Group is bound by the terms of this IPO Consent Agreement. Its main details are as follows:

In the IPO Consent Agreement, the Company and C.P. Group have made agreements with 7-Eleven in various matters, including: (a) All of the Company's and C.P. Group's shares will not be pledged as collateral or encumbered with any obligations without prior written consent from 7-Eleven, Inc., (b) the Company and C.P. Group will not enter into any contract which will cause the breach of this IPO Consent Agreement. Vice versa, the IPO Consent Agreement must also not cause the Company and C.P. Group to breach other contracts, (c) throughout the duration of the Area License Agreement, C.P. Group retains the right to appoint and distribute roles to the majority of the Company's directors. If C.P. Group is unable to go through with this responsibility, it will agree to purchase the Company's shares so that C.P. Group will be a shareholder of more than 50 percent of all of the Company's issued or sold shares.

In addition to the abovementioned representations and stipulations, the parties have agreed to amend certain terms and conditions in the Area License Agreement. The main contents of the revision are as follows:

- a. The Company and C.P. Group acknowledges and understands that under the Area License Agreement, 7-Eleven, Inc. has given the Company the 7-Eleven trademark and other related rights. This is due to 7-Eleven Inc.'s confidence in the business and financial expertise and reputation of C.P. Group and its shareholders. Therefore, C.P. Group and other related parties, including C.P. Group companies (as detailed in the Agreement), will agree not to transfer, sell, pledge, incur encumbrances, or dispose of any or a significant portion of its shares or interests, either directly or indirectly, without the written consent of 7-Eleven, Inc. However, this stipulation does not include the transfer, sale, pledge, encumbrance of, or disposal of the Company's shares by C.P. Group or C.P. Group companies. In the case that C.P. Group holds more than 157,500,000 shares in the Company, directly or indirectly (at a par value at 10 Baht), and maintains the authority to appoint and manage the majority of the Company's directors, C.P. Group and C.P. Group companies must notify 7-Eleven, Inc. at least 30 days in advance of any transfer, sale, pledge, or obligation concerning the abovementioned shares.
- b. After each IPO, C.P. Group will hold at least 157,500,000 shares in the Company, either directly or indirectly (at a par value at 10 Baht).
- c. This stipulation applies as long as the Company's securities are listed on the Stock Exchange, in the event that C.P. Group receives an offer or offers to purchase shares of a company it holds from another party and intends to sell its shares. In this case, if 7-Eleven, Inc. considers that the divestment will result in C.P. Group and C.P. Group companies (as detailed in the Agreement) losing too much control of the Company, C.P. Group is liable to make an initial public offering of the relevant shares to 7-Eleven, Inc. The initial public offering must be the same as the offer that other parties propose to C.P. Group and must abide by the steps specified in the contract.
- d. The Company will not sell, transfer, mortgage, pledge, incur contingent liabilities, or dispose of, by any means, a significant portion of its assets, including both direct and indirect interests associated with such assets without the written consent of 7-Eleven, Inc. This excludes the Company's normal sale of products and services.
- e. Below are the amended obligations of the Company in the event that the Area License Agreement is terminated:
 1. If, for any reason, the Area License Agreement is terminated and 7-Eleven, Inc. does not exercise its right to purchase the products, equipment, land, buildings, and various assets used in the operation of the Company, the Company will stop using all these assets. The Company will also take action to ensure all relevant parties (as detailed in the Agreement) stop using all 7-Eleven trademarks, trade secrets, and the 7-Eleven system. Relevant copyrighted documents and all trade secrets, including manuals and copies of documents will be returned or destroyed as requested by 7-Eleven (the Company will be responsible for the expenses incurred). The Company will also comply with any other actions as specified in the Agreement.
 2. If the Area License Agreement is terminated due to the Company's breach of contract for any reason described above or because of reasons stipulated in the IPO Consent Agreement in the next paragraph, the Company will be liable to pay liquidated damages to 7-Eleven, Inc. at the following rates: (a) If 7-Eleven does not exercise its rights to purchase all of the Company's assets, the Company will pay for liquidated damages equal to 10 times the amount of average

annual royalties within the previous 12 months, (b) if 7-Eleven exercises its rights to purchase all of the Company's assets, the Company will pay for liquidated damages equal to 3 times the amount of average annual royalties within the previous 12 months. The aforementioned compensation does not disqualify 7-Eleven, Inc. to claim damages as stipulated by the law or the Agreement.

In addition to the grounds described in the Area License Agreement that may cause the contract to terminate, the IPO Consent Agreement also states that the following constitutes a breach of the Agreement: (a) The Company or C.P. Group breaches any significant part of the IPO Consent Agreement or any issue related to the public offering, (b) the Company or C.P. Group breaches any significant part of the IPO Consent Agreement's terms or conditions, including maintaining a hold of at least 157,500,000 shares (at a par value of 10 Baht), directly or indirectly, after the initial public offering. Other situations considered breaches of the Agreement include if C.P. Group fails to maintain its authority to appoint and manage the majority of the Company's directors and if C.P. Group is unable to purchase additional shares until it holds more than 50 percent of the Company's total issued and sold shares. In such cases, 7-Eleven, Inc. will send a notice about the breach of contract to the Company and C.P. Group. If the breach of contract can be remedied, the Company will do so to the stated satisfaction of 7-Eleven, Inc. within a 30-day period (however, 7-Eleven reserves the right to stipulate a shorter remedial period). In the event that the Company is unable to take corrective action within the time limit, 7-Eleven, Inc. reserves the right to do one of the following: (a) Terminate the Area License Agreement, (b) increase the monthly royalty fees for merchants authorized to use the 7-Eleven trademark to the rate used for new licensees, (c) require the Company and CPG (if CPG is still the Controlling Principal as defined in the IPO Consent Agreement) to enter into a new license agreement, with different terms and conditions, including higher royalty charges and advertising costs, and (d) appoint a representative of 7-Eleven, Inc. to take the position of the Company's director.

The IPO Consent Agreement is governed and interpreted according to the law of Texas, the United States of America.

Summary of the Master Franchise Agreement between CP ALL (Cambodia) Co., Ltd. and CP ALL Laos Co., Ltd., and 7-Eleven, Inc. (collectively referred to as the "Franchise Agreement")

CP ALL (Cambodia) Co., Ltd., an indirect subsidiary of the Company incorporated in Cambodia, and CP ALL Laos Co., Ltd., an indirect subsidiary of the Company incorporated in the Lao People's Democratic Republic (collectively referred to as "Subsidiaries") entered into a Franchise Agreement with 7-Eleven, Inc. ("SEI") on May 5, 2020 (for Cambodia) and August 28, 2020 (for the Lao People's Democratic Republic). The Subsidiaries were granted the right to operate a convenience store retail business under the "7-Eleven" trademark in Lao People's Democratic Republic and Cambodia. Under the agreement, SEI grants the Company the exclusive right to use the 7-Eleven system and trademark as well as trade secrets for business operations or grants sub-licenses on a case-by-case basis in the Lao People's Democratic Republic and Cambodia. The Subsidiaries must comply with the terms and conditions outlined in the Franchise Agreement as below:

- The Company will pay the Master Franchise Fee on the date of entering into the Franchise Agreement. The Company will also pay a monthly royalty fee, calculated from total monthly sales.
- In the event that the Subsidiaries are unable to operate the minimum number of convenience stores under the trademark "7-Eleven" ("Stores") as specified in the Development Schedule due to willful misconduct or serious negligence, the Subsidiaries will have to pay a fine to SEI. This fine is equivalent

to the number of stores that are unable to be opened to meet the minimum requirements. If the Subsidiaries are unable to operate the minimum number of stores as specified in the Development Schedule for a period of 3 consecutive years, SEI has the right to: (a) Cancel the Company's exclusive rights, or (b) terminate the Franchise Agreement.

- The Controlling Principals of the Subsidiaries (i.e., CP ALL and Albuera International Limited) are required to guarantee the performance of their duties under the Subsidiaries' Franchise Agreement.
- The Subsidiaries shall indemnify and defend SEI and its directors, shareholders, executives, managers, and employees for any damages and expenses incurred as a result of its operations (whether carried out by the Subsidiaries, the Controlling Principals of the Subsidiaries, or any company within the group, directors, executives, manager, employees, representatives, contractors, or any other person acting on behalf of the Subsidiaries), as specified in the terms of the Franchise Agreement. In addition, if the Franchise Agreement expires due to SEI exercising the right to terminate the agreement (Unless in the case of termination of the contract due to force majeure), the Subsidiaries are liable for liquidated damages to SEI as specified in the Franchise Agreement.

The Franchise Agreement initially covers a period of 30 years. The said period starts from the day the first store opens. Relevant parties can agree to renew the Franchise Agree two additional times, 20 years per renewal. Below are cases in which the Franchise Agreement may be terminated:

- (1) The Subsidiaries have the right to terminate the Franchise Agreement in the event that it faces consecutive losses when operating the franchise business, as specified in the Franchise Agreement.
- (2) In general cases, SEI has the right to terminate the Franchise Agreement if the Subsidiaries breach it and fails to take remedial actions within 60 days (or any other period as agreed by the parties) from the date that SEI notifies the Subsidiaries of the breach.
- (3) SEI has the right to terminate the Franchise Agreement without providing for remedial periods in some cases, for example: (a) in the event that the Subsidiaries engages in willful or material breach of the Franchise Agreement, deliberately disclosing confidential information to employees or third parties without requiring such persons to agree to maintain confidentiality, (b) in the case of deliberate misuse of SEI's intellectual property, information, or systems, (c) in the case that the Subsidiaries or its Controlling Principals enters bankruptcy or business reorganization, or (d) in the case of that the Subsidiaries willfully breaks anti-terrorism laws.

Upon termination of the Franchise Agreement, SEI or SEI-appointed persons will have the right to acquire franchise businesses from the Subsidiaries at fair market value, which is jointly determined by an appraiser appointed by the Subsidiaries and SEI. If SEI or SEI-appointed persons choose not to exercise the rights to purchase the said businesses or do not exercise the right to buy the businesses at the price determined by the appraiser, the Subsidiaries reserves the right to sell the businesses to third parties.

The Franchise Agreement is governed by and under the interpretation of the law of Texas, the United States of America.

Summary of Other Contracts

(1) 7-Eleven Store Management Contract (SBP Type A)

Counterparty	: CP ALL Public Company Limited (“the Company”) and operators
Contract period	: Type A is currently only renewed from original contracts. The Company allows for operators to renew their contracts every 5 years unless the contract is terminated for other reasons as specified in the Contract.
Fees for entering into the contract	: The fees are a fixed amount, stipulated by the criteria set by the Company.
Management compensation	: Operators will receive compensation for their management according to the Company’s compensation formula for Type A.
Other important conditions	: (1) Operators agree to be the Company’s store manager and will manage stores using the 7-Eleven system only. (2) Operators will not transfer the rights under this Contract to any person without prior written consent from the Company. (3) In the case that the operator breaches the conditions of the contract, the Company reserves the right to terminate the Contract.

(2) 7-Eleven Store Management Contract (SBP Type B)

Counterparty	: CP ALL Public Company Limited (“the Company”) and operators
Contract period	: 6 years from the beginning of store management unless the contract is terminated for other reasons as specified in the Contract.
Fees for entering into the contract	: The fees are a fixed amount, stipulated by the criteria set by the Company.
Management compensation	: Operators will receive compensation for their management according to the Company’s compensation formula for Type B.
Other important conditions	: Same as SBP Type A

(3) 7-Eleven Store Management Contract (SBP Type C)

Counterparty	: CP ALL Public Company Limited (“the Company”) and operators
Contract period	: 10 years from the beginning of store management unless the contract is terminated for other reasons as specified in the Contract.
Fees for entering into the contract	: The fees are a fixed amount, stipulated by the criteria set by the Company.
Management compensation	: Operators will receive compensation for their management according to the Company’s compensation formula for Type C.
Other important conditions	: Same as SBP Type A

(4) 7-Eleven Store Management Contract (SBP Type D)

Counterparty	: CP ALL Public Company Limited (“the Company”) and operators (a project operator, manager, or other persons as agreed)
Contract period	: 10 years from the beginning of store management unless the contract is terminated for other reasons as specified in the Contract.
Fees for entering into the contract	: The fees are a fixed amount, stipulated by the criteria set by the Company.
Management compensation	: Operators will receive compensation for their management according to the Company’s compensation formula for Type D.
Other important conditions	: Same as SBP Type A

(5) 7-Eleven Store Management Contract (SBP Type E)

Counterparty	: CP ALL Public Company Limited (“the Company”) and operators (approved employees may enter into a contract with the Company by resigning and forming a juristic person)
Contract period	: 6 years from the beginning of store management unless the contract is terminated for other reasons as specified in the Contract.
Fees for entering into the contract	: The fees are a fixed amount, stipulated by the criteria set by the Company. The fees may be paid in installments.
Management compensation	: Operators will receive compensation for their management according to the Company’s compensation formula for Type B.
Other important conditions	: Same as SBP Type A

(6) 7-Eleven Store Management Contract (SBP Type V)

Counterparty	: CP ALL Public Company Limited (“the Company”) and operators (retired and approved employees may form a juristic person to enter into a Contract with the Company)
Contract period	: 6 or 10 years from the beginning of store management (depending on whether the management is categorized as Type B or Type C) unless the contract is terminated for other reasons as specified in the Contract.
Fees for entering into the contract	: The fees are a fixed amount, stipulated by the criteria set by the Company. The fees may be paid in installments.
Management compensation	: Operators will receive compensation for their management according to the Company’s compensation formula for Type B or Type C, depending on the case.
Other important conditions	: Same as SBP Type A

(7) 7-Eleven Store Management Contract (SBP OR 1)

Counterparty	CP ALL Public Company Limited (“the Company”) and PTT Oil and Retail Business Public Company Limited (“OR”)
Contract period	: 10 years from the beginning of store management unless the contract is terminated for other reasons as specified in the Contract.
Management compensation	: “OR” will receive compensation for their management according to the Company’s compensation formula for OR 1.
Other important conditions	: Same as SBP Type A

(8) 7-Eleven Store Management Contract (SBP OR 2)

Counterparty	: CP ALL Public Company Limited (“the Company”) and distributors of PTT Oil and Retail Business Public Company Limited or parties that have been authorized by distributors (“Operators”)
Contract period	: 10 years from the beginning of store management unless the contract is terminated for other reasons as specified in the Contract.

Management compensation	: Distributors or parties that have been authorized by distributors will receive compensation for their management according to the Company's compensation formula for OR 2.
Other important conditions	: Same as SBP Type A

(9) Territorial License Contract (Sub-Area)

Counterparty	: CP ALL Public Company Limited (“the Company”) and sub-licensees
Contract period	: The contract terminates when the Area License Agreement between the Company and 7-Eleven, Inc. ends or there are grounds for termination as specified in the Contract.
Compensation	: (1) A fixed entry fee (2) A monthly fee equal to a fixed percentage of the total monthly sales

Other Important Conditions :

- (1) The Company allows the sub-licensees to operate convenience stores using the 7-Eleven system within the territory. It also grants sub-licensees the right to use the 7-Eleven trademark, trade name, and trade secrets on goods or services provided at authorized 7-Eleven stores in the designated territory.
- (2) The Company will provide technical assistance and lend operation manuals to sub-licensees.
- (3) The sub-licensee must sell products only in cash or in accordance with the method specified by the Company. They must also report the total daily sales of each 7-Eleven store to the Company the following day.
- (4) The sub-licensee will let the Company send officers to visit their stores to make inventories and check equipment at any given time.
- (5) The sub-licensee will not transfer the rights in any part of this Contract to any other party without the Company's prior written consent.
- (6) In the event that the sub-licensee receives a tender offer for their convenience store business under this Agreement from a third party and wishes to accept the offer, they must immediately notify the Company. The Company reserves the right to first choose whether or not they would like to purchase the sub-licensee's convenience store business in accordance with the terms and conditions specified.
- (7) The Company reserves the right to terminate the contract in the event that the sub-licensee is unable to generate the average monthly gross sales as specified by the Company or lets the number of their operating 7-Eleven stores fall below the specified limit for more than 180 days.
- (8) If the sub-licensee continues to operate 7-Eleven stores after the termination of the Contract, this is considered a breach of contract and damaging to the Company. The sub-licensee will pay for the damages incurred in an amount equal to a proportion of a fixed percentage of total monthly sales to the Company for the period in which the sub-licensee operated 7-Eleven or convenience stores without permission.

5.2.2 Restriction to shareholders in other countries in case the Company has the policy to request a resolution of the shareholders' meeting in an offering of newly issued shares or transferable subscription right to shareholders in proportion to their shareholding without issuing and offering to shareholders that will make the Company need to have duties under foreign law.

The Company does not have a policy to do the above.

5.3 Legal Disputes

None

5.4 Secondary Market

The Company has not listed its security in other country.

5.5 References

Detail of contact the Company's financial institution is shown in topic 5.1

Part 2

Corporate Governance



Corporate Governance Policy

6. Corporate Governance Policy

6.1 Corporate Governance Policy Overview

CP ALL Public Company Limited (“Company”) is fully intent on conducting its businesses based on the principles of good corporate governance and has established goals and guidelines on innovation promotion and development plans. 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.

(The detail of Corporate Governance Policy and related Guidelines is on the Company’s website: www.cpall.co.th)

Section 1 Right 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; protection of minority shareholder rights in calling shareholders’ meetings by one or many shareholders who have combined shares not less than ten percent of the total number of paid up shares without restrictions on the number of shareholders; 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 the 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.

To support the type of trade and business that will be operated in the future, the Meeting of Shareholders for the year 2020 had approved the amendment of Clause 3 (Objectives) of the Company’s Memorandum of Association from 93 Clauses to 96 Clauses. Clauses (8), (47), (50) and (92), had been amended and Clauses (94) to (96) had been added.

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 2020. 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 form September 28, until December 31, 2019. 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.

To comply with the measure of the Thai Ministry of Public Health's Center for Disease Control, due to the pandemic of COVID-19 Situation, that suggest to limit the number of attendances in the meeting room and restrict to hold the meeting in some area. And for safety and health of the attendees, the Annual General Meeting of Shareholders, held on 13 July 2020 at the 11th floor meeting room, C.P. Tower, Silom Road, Silom, Bangrak, Bangkok, the Company, therefore, had kindly asked all attendees to strictly follow the Company's precautionary measure. The shareholder's Meeting Notice and enclosure in Thai and English version were submitted to the shareholders more than 21 days prior to the meeting, and posted on the Company's website www.cpall.co.th on 10 June 2020 which is more than 30 days prior to the meeting, to ensure that the shareholders have adequate time to study information before attending the meeting. In 2020, there is no Extraordinary General Meeting of Shareholders.

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. The Measures and Guidelines for Joining the Annual General Meeting of Shareholders for the Year 2020 under the COVID-19 situation
3. 3 types of proxy forms for shareholders to use as appropriate i.e. Proxy form (A), (B), and (C)
4. Agenda item on the 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), family relationship, 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, the attendance at the Board of Directors Meeting, securities holdings of Directors.
5. Agenda to appoint the external auditor, which identifies the name and company, education, experiences, and competency of the auditor, as well as the independence of the auditor and audit fee in order for shareholders can 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 Association regarding the shareholders' meeting
10. Annual Report 2019 and Sustainability Report 2019 in form of QR Code which contains QR Code downloading Procedures, 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 from the financial institutions or mutual funds to send documents related to the meeting to the Company in advance to allow the Company to check the documents prior to the shareholders' meeting

At the Day of the Shareholders' Meeting

The Company set up measures and guidelines for attending the Annual General Meeting of Shareholders for the Year 2020 according to the Recommendations for Meetings of the Thai Ministry of Public Health's Center for Disease Control and the Order of the Centre for COVID-19 Situation Administration (CCSA), the distance of seating arrangement was 2 meters apart, limited the number of seats to be less than 50 seats, reserved seat in another room for live broadcasting to avoid being crowded and finished the meeting within 1.30 hours. In addition, the temperature screening was arranged, staffs were assigned to welcome and assist shareholders to ensure that everything was in good order. The attendees must wear face mask all the time. 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 shall be made openly unless the shareholder in a number not less than five moved for a secret vote and the meeting has resolved to have a secret vote. The barcode system was used in vote counting which made tallying fast and accurate. In addition, an independent legal advisor oversaw that the shareholders' meeting was conducted correctly in compliance with the law and the Company's regulations. The independent legal advisor also monitored the vote counting. The voting results of each agenda item, including the number of agree on votes, disagree votes, abstain votes, and voided ballot, were displayed on the screen for shareholders to easily view. In the case of agenda items where the directors have a conflict of interest or agenda items concerning connected transactions, the screen also showed the number of votes not entitled to vote. In case some agenda items need more time for vote counting, the Chairman of the Meeting may ask the meeting to proceed to the next agenda to ensure continuity of the meeting. Once the staffs have finished the vote counting, the scores and resolution will be immediately announced at the meeting. In addition, for transparency in vote counting, the Company invited the representative who is not the Company's auditors as a witness to verify the vote counting.

The Chairman, the Chairman of all Sub-Committees, which are the Chairman of the Audit Committee, the Chairman of the Sustainability and Corporate Governance Committee, the Chairman of the Remuneration and Nomination Committee, including 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, legal advisor, and advisor to the Board of Directors were also invited to the meeting to provide information and answer shareholders' questions. Moreover, the Company invited representatives from external regulatory organizations such as representatives from the Thai Investors Association to join 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 an individual basis. 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 disclosed the criteria for remunerating directors in each position and 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 item of appointing the Company's Auditors and fix their remuneration, the Company disclosed details of auditors which were profile, amount of shareholding, the relationship with the executive. Plus the opinion of the Audit Committee in regards to the independence of the Auditors and remuneration. However, the appointment was comply with the regulations of the SEC regarding the auditor rotation.
- 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 Secretary of the Meeting. Each agenda item indicated the meeting resolution and result of the votes, including the number of agree votes, disagree votes, abstain votes or unentitled votes and voided ballot. 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

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 both Thai and English versions before 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 on the company's 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, and voided ballot) of each agenda, including questions and answers from the meeting in the minutes. Shareholders can submit queries or opinions regarding the minute of meeting, within one month from the meeting day. The agenda for adoption of the minute of meeting for the next Annual General Meeting of shareholders will be terminated.

After the Annual General Meeting of Shareholders, the Company will consider questions, comments, and suggestions of shareholders gathered from the meeting room in order to determine appropriate actions and to further improve the meetings in next year.

From the assessment of the quality of the Company's 2020 Annual General Meeting of Shareholders (AGM checklist) conducted by the Thai Investors Association, the Company received a score of 98.0 out of a total of 100, higher than the average score of listed companies in the Stock Exchange of Thailand of 93.1.

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 2020, 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 2020. 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 B 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 and guidelines on conflicts of interest to prevent the use of insider information by insiders before it is announced to the public. Established a policy to prevent the use of inside information and disseminated 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. Moreover, one day in advance notice is required for any transaction of the Company's shares.
- 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 that 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 quarterly.
- Established guidelines regarding not using insider information for unlawful gains in the Handbook on Business Ethics and Code of Conduct.
- The related transactions which occurred in 2020 are honest 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 stakeholder groups, 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 and security for the Company.

The Company gives importance to conducting its business operations with social responsibility, which also includes operating its business in an equitable manner through respecting human rights, treating the workforce equitably, occupational safety, health, and environment, acting responsibly towards all consumers, protecting personal information and privacy, taking good care of the environment, participating in community development, preventing money laundering, and anti-corruption.

The Company has improved its Handbook on Business Ethics and Code of Conduct, which is reviewed every year to correspond with changes and be up-to-date. The Handbook is published and distributed to all directors, executives and employees for their information and strict compliance to ensure that the rights of all stakeholder groups are protected.

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

1. 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 the personal benefit of directors or executives and to ensure that directors and executives are accountable for their actions and not use their authority or position or inappropriate behavior that may bring about personal benefit or conflicts of interest.

2. 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 under the SAVEQC principle, providing Service (courteous service), Assortment (a myriad of products that meet customers' needs), Value (value for money), Environment (store design and maintenance that is safe for customers), Quality (quality, fresh, clean, and safe products), and Cleanliness (cleanliness of the store as well as equipment). The Company conducts a customer satisfaction survey at least twice a year and the results of the analysis are used to make plans for product and service development and improvement. The Company also maintain the sustained good customer relations, through clearly establishing the policy for treating customers in an equitable manner and acting responsibility towards customers which is disclosed in Handbook on Business Ethics and Code of Conduct in working in the Company, that has been widely distributed throughout the Company for awareness and adherence.

Additionally, the Company also has mechanisms and procedures that allow customers to access various relevant information, which is for business reasons, and to lodge any requests or complaints, such as: via the Branch outlets, by mail, via the Company's website, and via our Call Center, etc.

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 CPAll, as well as must give 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 so as 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.

3. Employees :

The Company fully recognizes the importance of employees who are the vital heart of the Company's sustainable operations, both current and future, and in all aspects of change. To satisfy the demands of customers and society and to grow sustainably, the Company has given importance to recruitment and selection, development of capacities, taking good care of employees' needs and problems, and creating employee engagement corresponding to the Company's key philosophy that "Through happy employees, we desire to see smiles from customers".

- **The workforce and Human Rights**

Policy on Human Rights and with regards to the workforce

The Company has a policy on human rights and with regards to 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 as well as both the relevant domestic and international laws.
2. Monitor and assess the associated risks together with potential impacts relating to human rights on a regular basis, as well as determine procedural guidelines or measures in managing such risks as appropriate. As such, all operating business units have the direct responsibility to oversee and manage their respective relevant risks.
3. Develop two-way channels of communications, in order to promote both awareness and full understanding together with the respective compliance with regards to 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. As such, the Company's commitment to fully respect human rights is clearly reflected in the established policy on the management of various key business operational aspects of the Company as follows:
 - Policy on Corporate Governance
 - Policy on Required Ethics and Business Conducts
 - Policy on Corporate Social Responsibility (CSR)
 - Policy on Hiring Employees and Workforce Management
 - Policy on Managing Diversity and Acceptance of Differences
 - Policy on Health & Safety and the Environment
 - Policy on Sustainable Sourcing and Operating Guidelines for Business Partners

Policy on Managing Diversity and Acceptance of Differences

The Company is cognizant of the importance of organizational power, which comes from managing the diversity of employees working in every province across the country to create unity based on the corporate culture of "Harmony". This creates an atmosphere that supports happiness, effectiveness, creative thinking and innovation, and is a stage for employees to demonstrate their highest potential which affects corporate image and employee pride which will help retain and attract capable and good people to join and further create success with the Company.

The power of collaboration, 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, is important in driving the ongoing development and growth of the business. 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 their best capabilities.

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. Create a positive working environment and atmosphere of mutual respect, in which employees can coexist together based on having varying differences – regardless of whether it is personal likes or dislikes, personal characteristics, race, religious beliefs, skin color, gender, age, or marital status.
4. Do not discriminate or be bias in the recruitment and selection of new employees, through providing equality and equal opportunities for career advancement based on the respective performance results of the individual Employee as well as corresponding to the overall development and growth of the Company.

5. Congratulate and praise employees as appropriate according to their respective level of creativity and degree of contribution to the innovation and improvements of operating procedures or processes of the Company.

- **Treatment of the Workforce**

- **Creating Employees Who Are Happy and Who Enjoy Their work**

The Company gives importance to the transfer of knowledge to and development of employees at all levels of the organization so that they can adapt to the rapidly changing business world, especially in the digital age. The Importance is also given to the development of leadership skills that understand and can effectively manage the new generation. The Company has organized standard training courses, additional courses to increase both knowledge and working capabilities, online courses for self-development, cross functional learning that is project based and measures performance reflecting business results, as well as leadership development programs. Moreover, the Company emphasizes self-education and further skills development through on-the-job Action Learning by having employees from various business units work together on projects under the care of managers acting as consultants and providing advice. In addition, the Company has employee development programs for ‘high talent’ personnel to be successors. Furthermore, the Company emphasizes building strong inter-relationships among employees through Team Power training project that makes employees understand the overall corporate objectives and direction, positive moral mindset and positive thinking. This training project has been regularly organized for all employee groups, including operations staff, distribution and logistics staff, HO staff, and Store Business Partners, since 2005. Each year there will be different topics and key learning points that focus on various means of communication. As for activities aimed at promoting internal close employee relationships and loyalty, each employee group can select to undertake various respective activities that are most appropriate to their type of work.

In addition, the Company has various different projects that are beneficial to our employees such as the Work Life Quality project that focuses on taking care of the health of employees; walk-run activities aimed at enhancing CP All family inter-relationships; club activities; and various other activities to help society such as bringing the temple to 7-11 activities undertaken by the Buddhist Religion Group and social contribution activities undertaken by the Volunteers Group. Apart from being recreational activities aimed at de-stressing employees from their work related problems, all such activities are aimed at developing employees to be good citizens, to have a positive public mind, and to be a good member of society.

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

- **Strong Corporate Culture for Sustainable Growth**

The Company strongly believes that a good corporate culture will unite everyone’s energy into organizational power leading toward the same goal, by working together in “Harmony” since 2003. The Company has always promoted and supported all executives and employees to adhere to the “5-7-11” working principles and values with understanding, willingness, and commitment following the words “mixing common elements together with different elements, so as to build unity in being part of the same band”. The “5-7-11” working principles and values 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 90% of our overall workforce. As such, having employees who work together coming from different generations and having different beliefs and values is one of the major challenges that requires the Company to adapt and genuinely face up to the ongoing changes. In 2016, a corporate workshop was undertaken, with representatives of all levels of the Management Group and employees attending, to identify key behaviors that would enable the organization to grow and develop in a sustainable manner for at least the next 30 years. This resulted in 5 behaviors called “Our Way”, a concept that was concurred to by representatives of employees at all levels as being important and must be implemented and realized in a genuine manner, which consists of

1. Build Trust
2. Accelerate Coaching
3. Drive Innovation
4. Call for Smart
5. Enrich Community Awareness

These 5 behaviors are communicated to create understanding and activities are organized to instill actual practice by Voting Role Models at the executive level, and sharing stories or behaviors that are in line with the 5 behaviors at the Monday morning meetings, whereby one executive must present at each meeting (Our Way Moment).

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 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.

People Development through Education

Given the number of stores that are dispersed throughout every area and location of Thailand as well as that these outlets 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 emphasize learning coupled with actual 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 actual 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 actual 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.

Welfare Benefits

The Company has the policy to focus on the quality of life of its Staff in their work together with on equal treatment for all its Staff. There are various Employee Welfare projects such as follows:

- 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 improve the atmosphere, determine various Staff welfare benefits to be offered so as to comply with the needs of the Staff.
- The 5 years program of the Employee Joint Investment Program (EJIP), has been prolonged to the 3rd time, started from July 1, 2017 to June 30, 2022.
- Employee Provident Fund
- Welfare assistance for the Employee and the Employee's family in case of crisis situation
- Home purchase loans
- Loan for debt settlement (Islamic Bank of Thailand)
- Life insurance and Health insurance for the Employee
- Scholarships for the Employee and the Employee's children
- Medical expenses for the Employee and immediate family includes loans for IPD hospitalization expenses
- Accommodation for store staff in the area that the Company deems appropriate

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 Development Report 2020"

4. 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 as much as possible and 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 business projects from such agencies.

5. 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.

6. Society, Communities, and the Environment :

The Company conducts its businesses by 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 missions 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.

In addition, with commitment to help reduce the amount of greenhouse gas emissions and commitment to energy conservation, the Company has implemented the 7 Go Green Strategy. This strategy aims to create environmental sustainability for communities, society and the country by reducing greenhouse gas emissions through cooperation from communities and society such as reducing energy use from the project to improve cooling systems; project to improve energy efficiency in 7-Eleven stores, distribution centers, offices and manufacturing plants; and project to reduce and discontinue plastic bag usage in 7-Eleven stores nationwide under the “Thai People Stop Using Plastic Bags” Campaign. The strategy also aims to create environmental awareness and behavioral change.

The Company places great importance on the environment and has organized training on “Organizational Development for Sustainability” for 65,066 employees at the supervisor level and above to the Company’s top executive. One of the topics in the training course is the environment which is the goal of sustainable development of the Company in 2020. The Company is committed to be an organization that engages in climate change management, water stewardship, and ecosystem and biodiversity protection. Details can be found in the Company’s Sustainability Development Report 2020.

7. 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 judgments 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. The Company issued Compliance and Trade Competition in the year 2019, in order to 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, collaborates with the Collective Action Coalition Against Corruption (CAC) to organize training for business partners that are SMEs to join the declaration of intent and become a member of the CAC. Furthermore, the Company helps assess the sustainability risk of business partners and helps develop their potential for sustainable business together. Additionally, the Company has also established a procedure to undertake business activities with business partners through using the internet or E-Auction.

8. 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 is correct, accurate and complete.

9. 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 2020"

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 One Report, and the Company's 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 opinion or complaints in case of not having equitable treatment from the actions of the 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

Information disclosure is one of the vital components of business operations that the Company has always adhered to. It is also an important indicator of transparent business operations according to the principles of good corporate governance. Thus, the Company has established a policy on the Company's information disclosure, which has been approved by the Sustainability and Corporate Governance Committee. Information disclosure is an important medium that enables shareholders who are not directly involved in the management of the Company to monitor the business

performance of the Management Team. The Company gives importance to disclosing information in a correct, complete, sufficient, timely, and regular manner and on an equal basis for all groups of shareholders.

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 One report, Sustainability Development Report, and any other reports for specific situations, analysts, investors, the press and public also receive important information through the Investor Relations Department of the Company on a quarterly basis.

In 2020, the Company disclosed information in various formats as required, that included information relating to the financial and accounting closing cycles as well as information relating to specific situations as follows:

Financial Information

Financial Statements of the Company that are prepared in accordance with generally accepted accounting standards and that have been audited without any qualifications by the appointed independent external Auditor as well as that have been reviewed and approved by the Audit Committee of the Company. 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 has 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 Directors and Executives/Management group
- Financial Statements, Statement of Financial Position, and Operating Results for the Current and Previous Years
- Form 56-1 One Report (that can be downloaded)
- Information for Securities Analysts
- Shareholding Structure
- Corporate Structure
- Major Shareholders list
- 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 Articles of Association and Memorandum of Association
- The Company's Corporate Governance Policy, Anti-corruption Policy, Sustainable Development Policy and Goals, Human Rights and Labor Practices Policy, Diversity and Inclusion Policy, Corporate Social Responsibility Policy, Tax Policy, Environmental Policy, Sustainable Sourcing Policy, GMO Policy, Health and Nutrition Policy, Packaging Policy, Business Partner Guidelines, Occupational Safety, Health and Environment Policy, Privacy Policy
- Charter of the Company's Board of Directors and Guidelines on Good Corporate Governance for the Board of Directors
- Charter of the Audit Committee, Charter of the Sustainability and Corporate Governance Committee, and Charter of the Remuneration and Nomination Committee
- 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 Directors and the Executives/Management group that together account for 0.17% of the total issued and paid up shares.
3. Report on the conflicts of interests of Board Directors and the Executives/Management group together with those of any other connected parties.
4. Information about the connected transaction between the company and the connected person.
5. Report on the shares owned by members of the Board of Directors and the Executives/Management group together with those of any connected parties.
6. Board of Directors' Statement of Responsibility for Financial Reports, together with the Report of the Auditors.
7. Report on the audit fee, with separate details for the audit services and other services provided.
8. Remuneration for the Board Directors and the executive management (as disclosed in the Company's 56-1 one 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 executive management when compared to other similar businesses.
9. The number of Board Meetings held and attendance record with the number of times each Board Director attended the meetings in 2020.

Section 5 : Responsibilities of the Board of Directors

On November 13, 2017, at the meeting of the Company's Board of Directors, a resolution was made 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, which 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 Office of the Securities Exchange (SEC) and the Stock Exchange of Thailand. As such, 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 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 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 Director. This will create further confidence on the part of Shareholders and general investors that Board Directors possess the knowledge about and understanding on discharging the duties and responsibilities as a Board Director according to the principles of good corporate governance. In this regard, the Company Secretary is responsible for coordinating that all Board Directors consider attending the respective training programs available.

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 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, nor being the authorized 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.

Policy on the Company's Directors and Top Executives Holding Positions in External Organizations

The Company has not yet set a policy on the Company's directors and top executives holding positions in external organizations as the Company's directors and top executives all are professional experts who are able to efficiently and effectively manage their time.

6.2 Business Ethics

The Handbook on Business Ethics and Code of Conduct published by the Company is reviewed, improved, and updated every year. The Handbook describes the principles and required behavior with regards to business ethics and morality for the Company's directors, executives, and employees. 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 good morals, priority to customers, and responsibility towards society and environment; 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, Anti-money Laundering, not to give or accept any unusual benefits or compensation, not to be involved in offering or receiving any bribes, not to be involved with any conflict of interest situations, to protect assets, not to use inside information for unlawful gains, and not to act in any way that violates or infringes on the intellectual property rights of others. The Company has distributed this Handbook to all directors, executives, and employees within the organization. Training and test sessions were also undertaken to inform and educate employees so that they fully understand the guidelines in a correct manner. Communication, raising awareness, and cultivate employees to follow including various activities such as video clip contest, Mr. & Miss Good Governance pageant, CG talk contest, etc., which will then result in the various operations of the Company to be undertaken with good quality and high moral standards together with fairness, transparency, and full accountability.

In addition, to promote innovation and to conduct business with responsibility to society and the environment that is reflected in the Company's business plans to ensure that all parties operate in line with the Company's objectives, main goals, and strategic plans, the Company has established the Sustainability Policy and Guidelines as well as the sustainable development framework and goals. The key issues relating to sustainability include corporate governance; human rights and labor practice; leadership and human capital development; stakeholders engagement; anti-corruption; social impact; health and well-being; education; innovation management; occupational safety, health, and environment; climate change management; water stewardship; ecosystem and biodiversity protection; responsible supply chain management; and local conflict management and community acceptance.

Under the authority, roles and responsibilities of the Sustainability and Corporate Governance Committee that was appointed by the Board of Directors, the Sustainability and Corporate Governance Committee appointed the Corporate

Governance Sub-Committee and Sustainable Development Sub-Committee as an important mechanism in driving processes and ensuring that executives and employees of the Company and its subsidiaries correctly and completely understand and earnestly practice business ethics and sustainable development of the organization. This is considered part of the Company's organizational culture that the top management has established as the corporate governance observance that is one of the organization's strategies and objectives. Both sub-committees must report to the Sustainability and Corporate Governance Committee every quarter.

(The detail of Business Ethics and Code of Business Conducts appear on the Company's website : www.cpall.co.th)

6.3 The Major Change and Development of Corporate Governance Policy, Guideline, and Charter during the past year

6.3.1. Major changes and developments relating to the review of policies, guidelines, corporate governance, and charters in the past year

1. Amended the Handbook on Business Ethics and Code of Conduct of the Company and its subsidiaries following the annual review to make the content more complete and clearer.
2. Amended the Charter of the Corporate Governance Sub-committee so that the work of the Corporate Governance Sub-committee covers subsidiaries and is clearer.
3. Appointed the Chairman of the Corporate Governance Sub-committee, the Corporate Governance Sub-committee (new members), the Chairman of the Sustainable Development Sub-committee, and the Sustainable Development Sub-committee (new members) as the Chairman of both Sub-committees and some members retired and for the work continuity of both Sub-committees that are the mechanism to support the work of the Sustainability and Corporate Governance Committee.
4. Considered and acknowledged Guidelines for the Board of Directors in determining business strategies for sustainability (ESG issues) as prepared by the Thai Institute of Directors (IOD) so that the Board of Directors can use in determining business strategies and govern the management team to drive sustainability to be implemented systematically and become part of business operations that normally take into consideration performance growth together with risk management and impact on all stakeholder groups, with good governance.
5. Organized various projects and activities relating to good governance, business ethics and code of conduct, and sustainable development, such as the seminar on corporate governance policy and anti-corruption through CG online and testing knowledge through the CG Quiz; activity promoting stories of employees who performed good deeds and naming them in the Company's Hall of Fame; video clip contest of role models for good governance; activity answering questions relating to good governance and the Company's governance creed; joined the National Anti-corruption Day online and the Anti-corruption Awards 2019 in collaboration with the Association of Correspondents for Anti-corruption (Thailand); established climate change management approach to reduce greenhouse gas emissions (Low Carbon Cities).
6. Organized a program jointly with the Collective Action Coalition Against Corruption (CAC) to promote and provide knowledge to the Company's business partners that are SMEs to join the declaration of intent and become a member of the CAC; as well as developed business partners to have sustainable business practices following DJSI criteria.
7. Stipulated that subsidiaries must provide a governance report to the Sustainability and Corporate Governance Committee every quarter. These subsidiaries include CPRAM Co., Ltd., CP Retailink Co., Ltd., Panyapiwat Technological College, 24 Shopping Co., Ltd., Panyatara Co., Ltd., and ALL Training Co., Ltd.

6.3.2. The adoption of CG Code 2017 for listed companies issued by the SEC

The Company has annually reviewed the appropriateness of compliance with the CG Code for listed companies issued by the SEC and adopted the Code for the Company's business context as appropriate. Throughout 2020, the Company has fully complied with the CG Code, 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 complicated, 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 complex 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.

6.3.3. Other information in accordance with good corporate governance principles to support various assessments

The Company regularly reviews, improves and updates its Corporate Governance Policy every year to be in line with national and international CG standards such as the Corporate Governance Code published by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors (IOD), and DJSI Sustainability Assessment.

The Company and its subsidiaries received corporate governance evaluations and awards as follows:

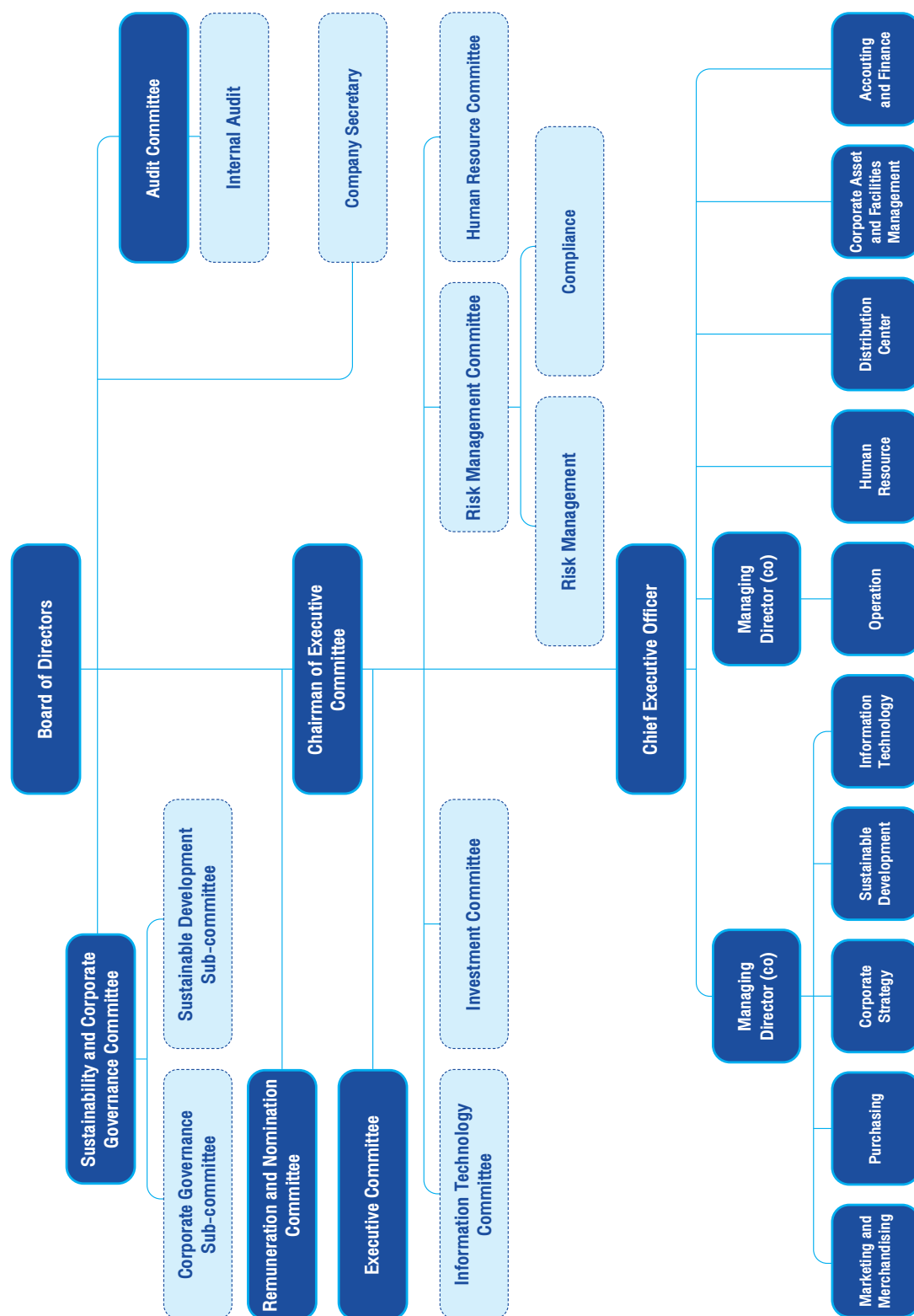
1. The Company received 5 stars or Excellent CG Scoring from the Corporate Governance Report (CGR) of Thai Listed Companies 2020 from the Thai Institute of Directors (IOD).
2. The Company received a score of 98 for the AGM Checklist 2020 from the Thai Investors Association.
3. The Company was selected as a member of the Thailand Sustainability Index (THSI) 2020 in the Services industry by the Stock Exchange of Thailand.
4. The Company was selected to be a member of the FTSE4Good Index 2020 (designed to measure the performance of companies demonstrating strong Environmental, Social, and Governance practices) in the Food & Drug Retailers sector in 2 series, the FTSE4Good Emerging Index and FTSE4Good ASEAN 5 Index, for the 3rd consecutive year.
5. The Company was selected to be a member of the Dow Jones Sustainability World Index (DJSI World) for the third consecutive year and was ranked third in the Food & Staples Retailing sector. In addition, the Company retained its membership of the DJSI Emerging Markets Index for the fourth consecutive year.
6. Selected as one of the 2020 ESG 100 companies in the service sector for the 3rd consecutive year by the Thaipat Institute that assesses listed companies with outstanding performance in terms of Environmental, Social and Governance (ESG) factors.
7. Received an ESG Rating of BBB (AAA to CCC scale) from MSCI (Morgan Stanley Capital International), which is an improvement from the previous year.
8. Received a score of A- (Leadership Level) from the Carbon Disclosure Project (CDP), which is an improvement from the previous year. This is testament to CP ALL being an organization with business operations and strategies that emphasize reduction of greenhouse gas emissions and manage risks in the Company's supply chain that may impact the climate.
9. Awarded a plaque for Excellence in Social Development, recognized as the private sector with best CSR, by the Ministry of Social Development and Human Security.
10. The Suvarnabhumi Distribution Center (DC) and the Suvarnabhumi Chilled Distribution Center (CDC) received a certificate and plaque for reduction of greenhouse gas emission for the year 2020 from the Thailand Greenhouse Gas Management Organization, for helping to reduce greenhouse gas emission under the Low Emission Support Scheme (LESS).
11. 7-Eleven Tara Pattaya branch store won the 2nd prize in the Best Practices of Green Building Small & Medium Category. It is the only company in Thailand to receive an award from the ASEAN Energy Awards 2020 in Energy Management.
12. Panyapiwat Technological College received a plaque for outstanding support of vocational education.
13. CPRAM Co., Ltd. received the Carbon Footprint for Organization, Carbon Footprint of Product, and Carbon Footprint Label certification from the Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment. This reflects the Company being a good role model in managing and reducing greenhouse gas emissions in the country.
14. CPRAM Co., Ltd. (Ladkrabang) won the CSR-DIW Award 2020 and CPRAM Co., Ltd. (Chonburi) won the CSR-DIW Continuous Award 2020 from the Department of Industrial Works, Ministry of Industry, reflecting responsibility to society, environment, and surrounding communities to grow together under good environmental conditions and quality of life in a sustainable manner.
15. CPRAM Co., Ltd. (Ladkrabang) won the Award for Outstanding Establishment for Labour Relations and Welfare from the Ministry of Labour for the 10th consecutive year.



**Corporate Governance
Structure and Important Information
of the Board of Directors,
Sub-committees,
Executives and Other Staffs**

7. Corporate Governance Structure and Important Information of the Board of Directors, Sub-committees, Executives and Other Staffs

7.1 Corporate Governance Structure as at 31 December 2020



■ Executives who shall declare remuneration

7.2 Information of the Board of Directors

As of December 31, 2020, 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-executive Directors 5 persons (account for one-third of Board members)

Definition

Executive Directors : The directors 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 independent directors, 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.

7.2.1. Composition of the Board of Directors

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 executive 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 there must be not less than a total of 3.
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 the Public Company Act and 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 wide vision. They must also be a person with good moral and ethical standards and have a good track record.
3. The Company's Independent Directors must possess the qualifications as specified by the Charter of the Board of Directors of the Company 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 the Company shares.
4. The Chairman of the Board of the Company is not an executive and is not the same person as the Chairman of the Executive Committee, whereby there is a clear separation of power and roles between Board 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.
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 Director in not more than a total of 5 listed companies concurrently; whereby there is to be a system in place to report their Board Directorships in other listed companies, so that it will not be an obstacle in discharging their responsibilities towards the Company, and such reports should be open for acknowledgment.

In regards to the powers 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.

6. The Board of Directors of the Company has appointed a Company Secretary and has disclosed details regarding the appointed Company Secretary in Enclosure 1. The Company Secretary is responsible for explaining and making recommendations regarding the related law, regulatory requirements, and duties of directors in order to that Directors be aware of and know, and is required to comply with; arranging the Board of Directors meetings and the Annual General Meeting of Shareholders; coordinating with internal units to ensure that all resolutions of the Board and AGM have been strictly complied with; liaising with regulatory agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand and overseeing information disclosure and reporting to the regulatory agencies and general public to be correct and complete according to the laws; and providing information to and arranging an orientation for newly appointed directors. There is also an Office of the Company Secretary as a support unit.

7.2.2. Information of the Board of Directors and the Controlling Person

Names of the Board of Directors

1.	Adj. Pro. Prasobsook Boondech	Independent Director, Chairman of Sustainability and Corporate Governance Committee
2.	Pol. Gen. Phatcharavat Wongsuwan	Independent Director, Chairman of Remuneration and Nomination Committee, Sustainability, and Corporate Governance Committee
3.	Mr. Padoong Techasarintr	Independent Director, Chairman of Audit Committee, Sustainability and Corporate Governance Committee, Remuneration and Nomination Committee
4.	Mr. Pridi Boonyoung	Independent Director and Audit Committee
5.	Mrs. Nampung Wongsmith	Independent Director and Audit Committee
6.	Mr. Soopakij Chearavanont	Chairman
7.	Mr. Korsak Chairasmisak ¹	Vice Chairman and Chairman of Executive Committee
8.	Mr. Suphachai Chearavanont ²	Vice Chairman
9.	Mr. Adirek Sripratak ²	Director
10.	Mr. Umroong Sanphasitvong ²	Director, Member of Executive Committee, Sustainability and Corporate Governance Committee
11.	Mr. Narong Chearavanont ²	Director
12.	Mr. Prasert Jarupanich ¹	Director
13.	Mr. Pittaya Jearavisitkul ²	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, 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 Executive¹ and Non-Executive² 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.

Appointment and Removal of Board Directors

The appointment of Board 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 and in line with business strategy of the Company by conducting Board Skill Matrix. 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 or external consulting company or IOD Chartered Directors, etc. Further, the consideration of possible new nominees must also take into consideration the diversity of the qualifications, gender, age, ethnicity, religion and place of birth, 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, corporate governance, and contribute to the Company 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 a Director by a majority vote in accordance with the criteria and process as follows:

1. Each shareholder shall have a number of votes equal to one share per one vote.
2. Each shareholder must exercise all the votes he/she has under (1) to appoint an individual or several persons to be director(s) but shall not split his/her votes among any person or group of persons.
3. The persons receiving the highest number of votes in descending order shall be appointed as directors depending on the requirement of directors set at such time. In the event that a number of persons receive an equal number of votes for the last directorship rendering the number of directors more than which is required, the chairman of the meeting shall have a casting vote.

For the election, it shall consider and appoint an individual to be a director in each position by exercising all votes of each shareholder but not splitting votes. The person receiving the highest number for votes of each position will be appointed as a director of that position.

Where a vacancy occurs in the Board of Directors otherwise than by rotation, the Board of Directors shall elect a person who is qualified and does not possess any prohibited description according to the law as the replacement Director at the following meeting of Directors, except where the remainder of the duration of office of the Directors is less than two months. The replacement Director under paragraph one may retain his office only for the remainder of the duration of office of the Director whom he replaces. The resolution of the Board of Directors under paragraph one must be supported by a vote of not less than three-fourths of the number of subsisting Directors

The Meeting of Shareholder may resolve to remove any Director from office prior to rotation by a vote of not less than three-fourths of the number of shareholders who are present at the meeting and are entitled to vote, which vote represents an aggregate number of shareholders of not more than one-half of the number of shares held by the shareholders who are present at the meeting and are entitled to vote.

7.2.3. Role and Duties of the Board of Directors

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 and sustainability. 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 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.

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 Directors for presenting to newly appointed Directors, which Handbook contains detailed information relating to being appointed as a Board Director of the Company, such as : the Company's business operations, Company Annual Reports, the Company's Rules and Regulations, 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 of the Company together with the Scope of Authority of the Board 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 of the Company, as specified in the Charter for the Board of Directors of the Company, 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, 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 Management group 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 policy on good governance, business ethics and code of conduct, and policy on anti-corruption as well as various applicable operating guidelines that the Company has documented in writing; 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 transactions 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 Board Committees such as the Sustainability and 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 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 Sustainability and Corporate Governance Committee and the Audit Committee; as well as establish clear instructions for 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.

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 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 to 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 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 Director participate in encouraging to establish a positive corporate culture of having good moral standards and adhering to good corporate governance practices.

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 statement of financial position and operating result, 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.

Term of Office as a Board Director of the Company

- **Number of years for each term**

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.

- **Number of consecutive terms of 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 (April 20, 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.

7.3 Information of Sub-Committees

7.3.1. Composition and Components of Sub-Committees

There are 3 Sub-Committees under the Company's Board of Directors – the Audit Committee, the Sustainability and Corporate Governance Committee and Remuneration and Nomination Committee. Besides, there is one sub-committee under the Chairman of the Executive Committee which is the Executive Committee that performs duties on supervising the risk management of the Company.

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.

The Audit Committee is as follows:

1.	Mr. Padoong Techasarintr*	Chairman, Audit Committee
2.	Mr. Pridi Boonyoung	Member, Audit Committee
3.	Mrs. Nampung Wongsmith	Member, Audit Committee

* 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 "Enclosure no. 6". 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. Kidsada 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 of the Management group that is responsible for reviewing and assessing the adequacy and effectiveness of the various internal controls in place together

with the various risk management measures; whereby it then reports the results to the Audit Committee every month. In addition, the risk management unit and compliance unit, would report major risk for the Audit Committee twice a year before submits its reports to the Board of Directors every Quarter. The details relating to the Manager of the Internal Audit Office together with the Internal Audit unit is disclosed in “Enclosure No. 3”

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 maybe 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 to 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. his 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 judgments 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 to 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, which 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.

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 Director to replace the Member who is resigning.

Duties and Responsibilities of 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, propose the appointment of qualified external Auditor/ Auditors together with the associated audit fee, as well as consider and remove Auditors; 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 transactions 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 and the guidelines on fraud and corruption.
8. Review the efficiency and effectiveness of the established risk management processes, such as strategic risks; operational risks; financial risks; regulatory compliance risks; social, environmental and economic risks; taxation risks; as well as risks relating to fraud and corruption.
9. Undertake any other activities as assigned by the Company 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. Sustainability and Corporate Governance Committee

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

The Sustainability and Corporate Governance Committee is as follows:

1.	Adjunct Professor Prasobsook Boondech*	Chairman, Sustainability and Corporate Governance Committee
2.	Police General Phatcharavat Wongsuwan*	Member, Sustainability and Corporate Governance Committee
3.	Mr. Padoong Techasarintr*	Member, Sustainability and Corporate Governance Committee
4.	Mr. Umroong Sanphasitvong	Member, Sustainability and Corporate Governance Committee

*Independent Director

The Sustainability and Corporate Governance Committee appoints the Sustainability and Corporate Governance Sub-committee that consists of executives from relevant departments, which is the key function to operate and report to the Sustainability and Corporate Governance Committee for consideration quarterly. 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; Sustainability Policy; conflicts of interests issues, Policy on Protecting Personal Information and Data, Business Ethics and Code of Business conducts, policy on risk management, IT governance, Policy on Insider Trading, required information disclosures as specified by the SEC and SET; and reports to the sustainability and Corporate Governance Committee.

Term of Office of Members of the Sustainability and Corporate Governance Committee

Members of the Sustainability and Corporate Governance Committee have a term of office that is concurrent with being a Director of the Company; whereby a Member of the Sustainability and 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 Sustainability and 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 Sustainability and 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 Director to replace the Member who is resigning.

In the event that a Sustainability and Corporate Governance Committee position becomes vacant for any reason other than the expiration of the term of office, then the Board of Director of the Company can appoint a person who possesses all the required qualifications to be a replacement Member of the Sustainability and Corporate Governance Committee within 3 months from such vacancy date.

Duties and Responsibilities of the Sustainability and Corporate Governance Committee

1. Establish the Policy on Good Corporate Governance, Business Ethics and Code of Conduct, Policy on Anti-corruption, and Policy on Sustainability that corresponds to the laws and the regulatory requirements of the government agencies and regulatory authorities of listed companies such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC); and submit to the Company's Board of Directors for approval.
2. Determine the policy and guidelines on innovation promotion, business operations with responsibility to society and the environment, and sustainable development planning.
3. Propose guidelines on corporate governance, guidelines on anti-corruption, and guidelines on sustainability management to the Board of Directors, as well as provide advice and recommendations to the Board of Directors relating to corporate governance and various practices relating to anti-corruption and sustainability management.
4. Oversee and ensure that the Company's executives act in full compliance with the established Policy on Corporate Governance, Policy on Anti-corruption, and Policy on Sustainability; as well as review and assess, together with relevant directors and members of the Management Team, the results of acting in compliance with the Policy on Corporate Governance and the Policy on Sustainability together with giving recommendations on fully complying with the aforesaid policies.
5. Review the Policy on Corporate Governance, Business Ethics and Code of Conduct, Policy on Anti-Corruption, and Policy on Sustainability together with the associated guidelines on a continuing basis at least once a year, so that they are all current with the latest situation, through referring to the UN Global Compact (UNGC), international guidelines, and relevant laws and regulations of government agencies and regulatory authorities of listed companies, such as the Stock Exchange of Thailand and the Securities and Exchange Commission; and submit recommendations to the Board of Directors for approval in implementing such further improvements.
6. Report the results of the various activities undertaken and the results of the assessment of the compliance with the Policy on Corporate Governance, Policy on Anti-corruption, and Policy on Sustainability, together with summarizing the key issues relating to corporate governance practices, anti-corruption activities, responsibility to society and the environment, and sustainability management to the Board of Directors at least two (2) times a year.
7. Oversee, ensure and monitor the progress of the activities of the various sub-committees established by the Sustainability and Corporate Governance Committee, together with giving recommendations for further improvements and necessary support.

8. Coordinate the activities with the various sub-committees in regards to cooperating in implementing corporate governance practices, anti-corruption activities, responsibility to society and the environment, and sustainability management, together with giving recommendations for improvements as necessary.
9. Encourage and support the Company to communicate with directors, executives, employees at all levels, and all involved parties in an adequate and continuous manner, so that they will all be fully aware of and fully understand the Policy and Guidelines on Corporate Governance, Business Ethics and Code of Conduct, Policy on Anti-corruption, and Policy on Sustainability and associated guidelines.
10. Act in compliance with the Policy on Anti-corruption together with associated guidelines on preventing fraud and on anti-corruption.
11. Endorse the Sustainability Development Report in order to present to the Board of Directors for approval before public disclosure.
12. Undertake any other activities as deemed 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 3 persons, with at least half must be Independent Directors, with Ms. Lawan Tienghongsakul, Senior Vice President – Human Resource acting as Secretary to the Committee.

The Remuneration and Nomination Committee is as follows:

1.	Police General Phatcharavat Wongsuwan*	Chairman, Remuneration and Nomination Committee
2.	Mr. Padoong Techasarintr*	Member, Remuneration and Nomination Committee
3.	Mr. Suphachai Chearavanont	Member, Remuneration and Nomination Committee

*Independent Director

Qualifications of the Members of the Remuneration and Nomination Committee

1. Being a Director of the Company
2. Have appropriate knowledge, capability, and understanding of the nature of business and the role, duties, and responsibilities of the Board of Directors and sub-committees, as well as possess good knowledge and understanding of corporate governance.
3. Possess far-sighted vision, follows the ongoing changing factors relating to determining remuneration and nominations at the international level on a continued basis, in order to make improvements to the Company's Remuneration and Nomination Policy.
4. Understand the appropriate ways to develop the potential and skills of each director and executive in order to enhance work performance.
5. 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.
6. Can independently recruit and select suitably qualified persons to be nominated for consideration to be appointed as a Director of the Company to replace those Directors retiring upon the expiration of their respective terms 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 a 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 the expiration of the current term of office, a Member of the Remuneration and Nomination Committee will cease to hold the position, in the event of:

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. The Board of Directors of the Company resolves to remove from office.

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 of Directors, whereby the resignation will become effective immediately on the date the letter is submitted to the Chairman of the Board.

In the event that a Remuneration and Nomination Committee position becomes vacant for any reason other than the expiration of the term of office, then the Board of Director of the Company 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.

Duties and Responsibilities of the Remuneration and Nomination Committee

1. Consider and determine the criteria for the remuneration and types of remuneration for directors and key executives for proposing to the Board of Directors. Consideration is given to both cash and non-cash payment benchmarking to leading companies in the same industry; the individual's performance, experience, duties, role and responsibilities; business expansion; the Company's financial status and operating results; and the Company's long-term strategy and goals, in order to motivate and retain quality directors and key executives. The Board of Directors will consider and approve the remuneration for key executives; while the Shareholders Meeting will approve the remuneration for Members of the Board of Directors every year.
2. Review and assess that the remuneration paid to key executives correspond to the actual achieved performance results by using assessment goals and criteria that is linked to short- and long-term strategies and plans.
3. 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, corresponding with the Company's business strategy by using Board Skill Matrix for consideration; as well as select the final nominees in accordance with the established procedures such as consider the names and background of the nominees from the existing Committee, open opportunities for shareholders to nominate persons for director positions, consider using external consultants, or consider individuals from the Pool of IOD Chartered Directors, with consideration to appropriate and diversified qualifications in terms of qualifications, profession, skills, age, experience, gender, ethnicity, religion, place of birth, expertise and special abilities that is necessary to have in the Company's Board of Directors and partakes in creating benefits for the Company; and propose to the Board of Directors for consideration and approval.
4. Establish programs to develop the work of directors and key executives and the Succession Plan; and review the aforesaid programs and plan every year.

5. Oversee the orientation of new directors to ensure understanding of their role, duties, and responsibilities; and present information relating to the Company's policies, nature of business, and business environment that must be taken into consideration.
6. Establish plans on training and development of the knowledge and expertise of the current directors which is appropriate to the changing external situation and sustainable development of the Company, in terms of both business operations and corporate governance.
7. Recommend the procedures for assessing the performance of the Board of Directors and other sub-Committees with review of the procedures on an annual basis and with consideration of the use of external consultants; as well as monitor and summarize the results of the assessment to the Board of Directors for acknowledgment in order to improve work performance and enhance knowledge and capabilities of the Company's directors.
8. Undertake any other activities as considered appropriate and assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Remuneration and Nomination Committee is authorized to call for and order the management or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, in performing its duty under the scope of authority as specified in the Charter, the Remuneration and Nomination Committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

4. 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
8.	Mr. Vichien Chuengviroj	Member of Executive Committee
9.	Ms. Lawan Tienghongsakul	Member of Executive Committee

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.

7.3.2. Performance Evaluation of the Committees

In 2020, the Company arranged that a self-evaluation as a group be undertaken by the Committee including the Audit Committee, the sustainability and Corporate Governance Committee, the Remuneration and Nomination Committee; and the Executive 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 make the work of these Committees to be more effective.

The performance self-evaluation form to be Members of Committees – as a group consists of these questions or aspects to be considered:

- The composition of 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; sufficient 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.

Sustainability and 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 Directors of the 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 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 Directors on a continuing basis. Considers and assesses the guidelines for determining both the cash and non-cash types of remuneration of Board Directors and senior Executives/Management. 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.

Executive Committee

- Consider the Company's objectives, business strategies, budget, and investment projects, monitor the performance and progress of investment projects and report the overall results including the problems or obstacles encountered and the guidelines for improvement, monitor the results of the Company's risk management, 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, consider financing options when there is a need to find funding sources for various investment projects, monitor the use of funds, management of the funds, and the Company's financial status, etc.

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; and does not undertake the respective activity/does not address the matter at all
- 1 = Do not agree at all; and undertakes the respective activity/addresses the matter to a small extent
- 2 = Agree; and undertakes the respective activity/addresses the matter to a fair extent
- 3 = Agree to a greater extent; and undertakes the respective activity/addresses the matter to a good extent
- 4 = Agree strongly; and undertakes the respective activity/addresses the matter to an excellent degree

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

Summary of the results of the self-evaluation by Committee Members as a group are as follows:

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%

Sustainability and 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 = 98%

And a high degree of agreement; or the Committee's activities address that respective aspect/matter well, with the total average score = 2%

Remuneration and Nomination 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%

Executive 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 = 87%

And a high degree of agreement; or the Committee's activities address that respective aspect/matter well, with the total average score = 13%

7.4 High-level Executives

7.4.1. Executive Committee

As of 31 December 2020, the Company had a total of 16 high-level executives consisting of

- Executive Committee 9 persons
- Executive Officers 11 persons (4 persons are also in the Executive Committee)

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 Chief Executive Officer for the consideration and approval by the Board of Directors
3. Approve the appointment of Managing Director and Executive Officers according to the proposal from 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 Capital expenditure 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, Chief Executive Officer, Managing Director, 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.

Executive Officers

As of 31 December 2020, the Company's Executive Officers consist of

1.	Mr. Tanin Buranamanit	Chief Executive Officer
2.	Mr. Yuthasak Poomsurakul ¹	Managing Director (Co) and in charge of Merchandising & Marketing and Sustainability Development
3.	Mr. Vichai Janjariyakun ¹	Managing Director (Co) and in charge of Operation
4.	Mr. Taweesak Kaewrathtanapattama	Senior Vice President – Accounting and Finance
5.	Mr. Vichien Chuengviroj	Senior Vice President – Corporate Asset and Facilities Management
6.	Ms. Lawan Tienghongsakul	Senior Vice President – Human Resource
7.	Mr. Ampa Yongpisanpop	Senior Vice President – Distribution Center Function
8.	Mr. Kriengchai Boonpoapichart	Senior Vice President – Accounting and Finance (Vice)
9.	Mr. Wiwat Pongritsakda	Vice President – Information Technology
10.	Mrs. Phaphatsorn Thanasorn	Vice President – Purchasing
11.	Mr. Ronnakitt Pojamarnpornchai	Vice President – Corporate Strategy

Remarks : 1. Mr. Yuthasak Poomsurakul and Mr. Vichai Janjariyakun, Managing Director (Co), were appointed on 1 November 2020.

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.

Chief Executive Officer

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 Chief Executive Officer is authorized to nominate persons as Managing Director and Executive Officers for consideration and approval by the Chairman of the Executive Committee.

Appointment and Removal of the Chief Executive Officer

The Company's Board of Directors appoints and removes the 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.

7.4.2 Remuneration for High-level Executives

High-level Executives' Remuneration Policy and Criteria

The Board of Directors determines the policy on high-level executives' remuneration to be at an appropriate level, fair, and in line with their responsibility in order to meet the expectations of various stakeholder groups and comply with related laws and regulations. The Remuneration and Nomination Committee has hired an independent expert to gather information and provide advice on establishing an appropriate compensation criteria and structure for high-level executives in order to present recommendations to the Board of Directors for approval. The following factors were taken into consideration:

- The Company's operating results with consideration to various pre-determined business indicators
- Comparison of the Company's operating results with other companies in the same industry
- Ability to develop business and improve business efficiency of each business unit each year
- Benchmarking with remuneration rates in the same industry

In 2018, the Board of Directors considered and approved the criteria and indicators for compensating high-level executives in the form of special bonus in addition to the current bonus in order to motivate and drive executives to achieve new goals. This will be considered from achievement of 3 goals, that is, customer satisfaction, Return of Equity (ROE), and the Dow Jones Sustainability Index (DJSI) scores, which evaluate the effectiveness of business operations in accordance with the Company's sustainable development.

7.4.3 Remuneration for Executive Committee and Executive Officers (High-level Executives)

(1) Cash Remuneration

Year	Description	No. of Executives (Person)	Remuneration (Million Baht)
2018	Salary bonus and special pension	17	409.496
2019	Salary bonus and special pension	17	561.393
2020	Salary bonus and special pension	16	403.098

2020 Total company accumulated cash remuneration	24,114 million baht
Payment for Executive Committee and Executive Officers	1.67%

(2) Other Remuneration

1. Provident Fund

The Company has established a provident fund, with the Company contributing 2 percent of monthly salary. In 2020, the Company contributed a total of Baht 6.642 million to the provident fund for high-level executives and paid Baht 6.035 million and Baht 4.839 million in 2019 and 2018 respectively.

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 3rd EJIP which is a five-year term will end on 30 June, 2022. Executives who are eligible for the EJIP must work for the Company for at least 3 years. The Company will deduct 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 2020 (January – May), the Company paid Baht 4.286 million for high-level executives who joined the EJIP, and paid Baht 12.205 million and Baht 11.604 million in 2019 and 2018 respectively.

Remark: Due to the COVID-19 pandemic, the Company has temporarily suspended the Employee Joint Investment Program (EJIP) starting from June 1, 2020, to relieve the burden of employees who have voluntarily joined the program, until the COVID-19 situation eases.

7.5 Information of Personnel

No. of Employees and Remuneration for Employees of CP ALL Public Co., Ltd. Only.

Convenience Store Business	2020	2019	2018
Store employees (Persons)*	50,313	48,960	43,394
Head office staff (Persons)*	13,583	13,596	12,383
Total (Persons)	63,896	62,556	55,777
Remuneration for Employees (million Baht)			
(Comprises of salary, bonus, EJIP, provident fund, and other fringe benefits)	24,114	25,997	23,283

*Only the Company's permanent staff

In 2020, the Company's Subsidiaries (excluded Subsidiaries under Makro Group) paid Remuneration to Employees in the same way, totaling Baht 5,807 million.

No. of Employees who joined Provident Fund – PVD

Company (in Thailand Only)	PVD Yes/No	No. of Employees who joined PVD (Persons)	Percentage of Total Employees
1. CP ALL Plc.	Yes	31,525	47%
2. CPRAM Co., Ltd.	Yes	1,686	59%
3. CP Retailink Co., Ltd.	Yes	732	43%
4. Panyapiwat Institute of Technology	Yes	577	54%
5. Gosoft (Thailand) Co., Ltd.	Yes	519	55%
6. Twenty four shopping Co., Ltd.	Yes	346	42%
7. Counter Service Co., Ltd.	Yes	156	78%
8. Panyatara Co., Ltd.	Yes	90	79%
9. All Training Co., Ltd.	Yes	58	78%
10. MAM Heart Co., Ltd.	Yes	40	93%
11. All Now Management Co., Ltd.	Yes	24	43%
12. Panyapiwat Technological College	Yes	17	77%
13. Panyapiwat Institute of Management Demonstration school	Yes	9	45%
14. All Now Management Co., Ltd.	Yes	7	33%
15. CP Foodlab Co., Ltd.	yes	6	86%
16. ALL Wellness Co., Ltd.	Yes	4	22%

The Company has a policy to support the Provident Fund Committee to select a fund manager who strictly complies with investment governance and manages the fund responsibly with consideration to Environmental, Social, and Governance (ESG) criteria as it is an investment guideline that can lead to the greatest benefits of the fund members, that is, the Company's employees, in the long run.

7.6 Other Important Information

7.6.1. Information of the Company Secretary, Head of the Internal Audit Office, Account Controller and Compliance

The Company Secretary

Mr. Supot Shitgasornpongse, Vice President – Accounting and Finance, who acts as the Company Secretary, has been appointed by the Board of Directors since 13 August 2008. The detail of the Company Secretary is shown in Enclosure no. 1.

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.

Head of the Internal Audit Office

Mr. Kidsada Euapiyachart, Vice President – Internal Audit acts as the Secretary of the Audit Committee and Head of Internal Audit Office. The detail of Head of Internal Audit Office is shown in Enclosure no. 3.

Account Controller

Ms. Aphaporn Wisitkamthorn, General Manager of Accounting Shared Services with the qualifications specified by the Department of Business Development, had been appointed as the person supervising accounting (Account Controller) of the Company. The Account Controller is responsible for reporting correct and complete accounting details according to accounting standards and financial reporting standards; and attends Continuing Professional Development Program in compliance with the criteria, methods, and timeline according to the laws. The detail of the Account Controller is shown in “Enclosure No. 1”.

Compliance

Mr. Arthit Paladja, the Compliance Manager who is the head of the Company's compliance unit that acts as the center for compliance according to the regulations of agencies governing the business of the Company and companies in the Group. The detail of the Compliance Manager is shown in “Enclosure No. 3”.

7.6.2. Information of Head of the Investor Relations Department and Contact Information

Ms. Jiraphan Thongta Senior General Manager – Investor Relations acts as Head of the Investor Relations Department of the Company, which acts as a central source of important information disclosures for investors, also prepares various analyses (Results Presentation) for dissemination to investors that are then posted on the Company's website together with quarterly MD&A, 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. Moreover, there are press conferences for analysts, investors, the media and the general public on a quarterly basis.

In 2020, the Company held activities for investors as follows:

- Quarterly analysts meetings and SET Opportunity Day for a total of 8 times, which Investor Relations Department and senior management participated to provide information and answer questions (Virtual Conference).
- Non-deal roadshows in Thailand and overseas for a total of 15 times (Virtual Conference).
- Company visit (Virtual Conference) for 79 times and conference call for 50 times
- Marketing activities by inviting analysts and investors to visit the operating area of the company for a total of 1 times such as DC at Lat Krabang, 7-Eleven Flagship Stores,
- Held Press conference to public the Company's performance and newsletter for a total of 4 time.

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 Investors Relations (IR) Department as shown below:

Telephone	:	0 2071 4369
Facsimile	:	0 2071 8617
Email	:	investor@cpall.co.th
By Letter or Mail	:	Investor Relations (IR) Unit CP All Public Company Limited 119, Floor 12, Tara Sathon, Sathon Soi 5, South Sathon Road, Thung Mahamek, Sathon, Bangkok 10120

7.6.3. Audit Fee

1. Audit Fee

In 2020, the Company paid audit fees to the external independent Auditor of the Company, Mrs. Munchupa Singsuksawat, CPA No. 6112 of KPMG Phoomchai Audit Co., Ltd., totaling Baht 5,970,000. Additionally, KPMG Phoomchai Audit Co., Ltd., is also the Auditor of a total of 21 Subsidiary Companies (excluded Subsidiaries under Makro Group) located in Thailand and 2 Subsidiary Companies located in overseas, including Lotus Distribution Investment Limited and Albuera International Limited, totaling Baht 6,372,000.

As for the other 3 overseas Subsidiary Companies, namely Successor Investments Limited, Successor (China) Investments Limited and CPALL LAOS Co., Ltd., were paid to KPMG overseas.

2. Other Non-audit Services

In 2020, the Company and Subsidiary Companies did not receive any other non-audit services from KPMG Phoomchai Audit Co., Ltd.

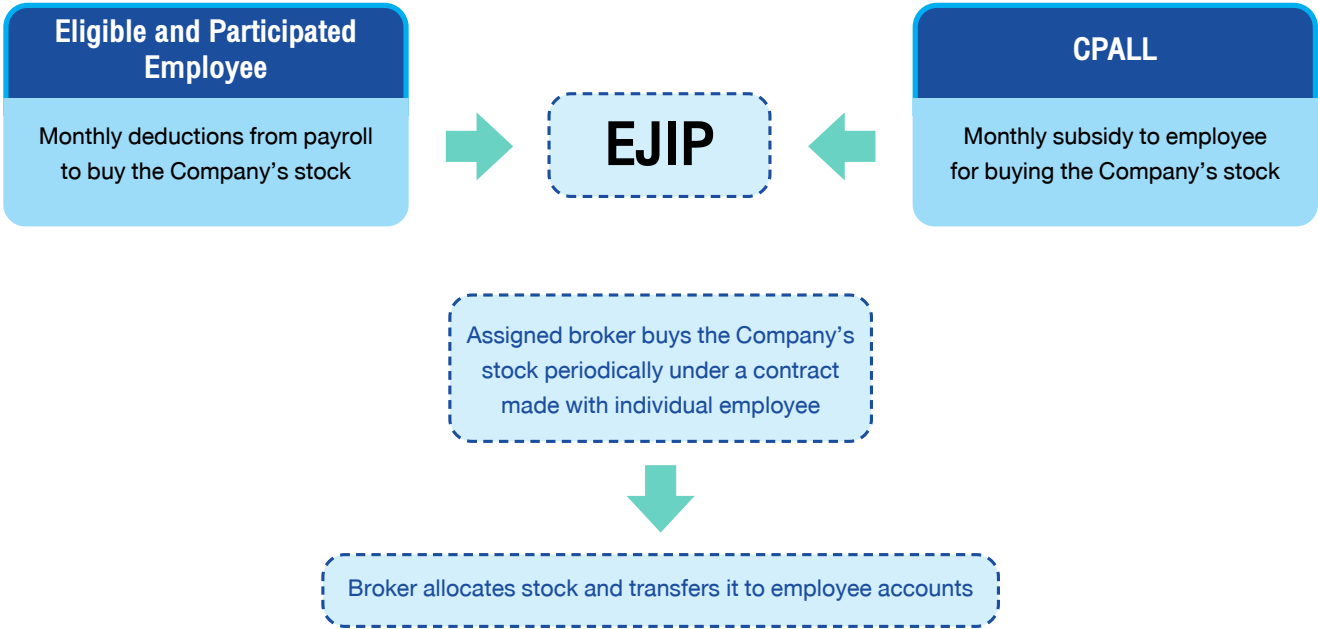
7.6.4. Employee Joint Investment Program – EJIP

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 deductible 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 by certain broker 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. The Company can claim tax deductible on the contribution amount.

* The Board of Directors has delegated the Executive Committee the authority to amend, 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.



Corporate Governance Report

8. Corporate Governance Report

8.1 Summary of the Performance of the Committees for Last Year

The Company's Board of Directors has 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 values, corporate culture, vision and mission, corporate objectives, financial policy, risk management policy, strategy, 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, increase competitive advantage, supervision of the adequacy of the internal control system, so that the outcome will be a well-defined set of strategic objectives and core operating corporate objectives to which the organization has focused for the next 5 years.

Board of Directors' Meeting

1. The Board of Directors' Meeting is held once every quarter on a normal basis. Directors must regularly attend the Board of Directors' Meetings to be informed of and jointly make decisions on the Company's business operations. At least 7 Board of Directors' Meetings are organized each year.
2. The Company encourages all director to attend at least 75% of all board meetings held during the year by predetermined the dates of the Board of Directors' Meetings 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 or urgent matters that require the Board's consideration.
3. In 2020, a total of 10 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. 98% of the Directors attended the meetings. The Company also held the Non-Executive Directors Meeting in 2019 which Non-Executive Directors attended 100%.
4. 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.
5. The Company have yet been implemented the policy for the minimum quorum of at least 2/3 of the Board member for board decisions to be valid to facilitate the participation in the board meeting. The Company, however, continuing act in accordance with this rule for many years which is shown in the table of Names of the Board of Directors and Board Members Attendance for the Year 2020.
6. 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 is also a good opportunity for the management to get to know the high-level executives for further job-handover.
7. After the Board of Directors' Meetings, the minutes of meeting were prepared, approved by the Board and filed at the Company Secretary Office for future reference and verification by directors and related persons. In addition, the Company Secretary coordinated to all departments to strictly perform its duties in line with the resolutions of the Board of Directors.
8. In some cases, the Company organized for outside consultants or experts to provide advice or additional information to the Board of Directors, at the Company's expense.

8.1.1. Recruitment, Development, Assessment of the Performance of the Board of Directors

1. Recruitment

The Company has appointed 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 which will be revised annually in order to be in line with the strategies and business operation of the Company. (The detail of the Remuneration and Nomination Committee is shown in Enclosure No. 7.3.1)

(1) Independent Director

The candidate for the independent director and/or member of the sub-committee shall not only possess the complete qualifications of the independent directors according to the Notification of the Capital Market Supervisory Board and the Board of Directors Charter and/or Sub-committee Charter, but the Board of Directors must also consider that the candidate for the independent director and/or member of the sub-committee is able to provide independent judgment and is eligible according to the set criteria.

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

- **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 judgments 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 to 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 disclosed 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.

- a. 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.
- b. Reason and necessity for retaining or appointing the person in question as an Independent Director of the Company.
- c. Opinion of the Board of Directors in proposing the nominee to be appointed as an Independent Director

(2) Recruiting of Director and High-Level Executive

Recruiting of Director

The Remuneration and Nomination Committee recruits, selects and screens, individuals to be a Director to replace Members whose term will expire or for any other reason, before presenting to the Board of Directors Meeting or the Shareholders' Meeting for resolution and appointment. The Director may be proposed by minority shareholders in accordance with the criteria and process specified by the Company, or from qualified persons with background and expertise from various professions, who possess leadership qualities, broad vision, knowledge, capabilities, morality and ethics, and past professional experiences that will meet the requirements of the vacant directorship position within the Company.

Criteria and Process for Selection

1. The Remuneration and Nomination Committee is responsible for selecting individuals with appropriate qualifications by considering the list of proposed names for directorship position and their background or from director retired by rotation, the person nominated by shareholder, or the Professional Pool of IOD Chartered Directors. To correspond with the Company's business strategy by using Board Skill Matrix for consideration and considering to appropriate and diversified qualifications in terms of qualifications, profession, skills, age, experience, gender, ethnicity, religion, place of birth, expertise, and special abilities that is necessary to have in present.
2. It is the equitable right of every shareholder to propose other individuals for consideration. The Company has established the process for nomination and announcement through the Stock Exchange of Thailand's information system, ninety (90) days prior to the end of the accounting period.
3. The Remuneration and Nomination Committee is responsible for screening and examining the names that will be proposed for the directorship position with the related agencies to ensure that the individual has the appropriate and required qualifications and does not have any untrustworthy characteristics.

4. The Remuneration and Nomination Committee presents the names of the individuals who have been considered to the Board of Directors Meeting. In case of the expiration of the Director's term of office, the Board of Directors will propose the nominees to the Shareholders' Meeting for approval. For other cases, the Director may be appointed by the Board of Directors.
5. In voting for appointment of director, each shareholder shall have a number of votes equal to one share per one vote and voting for each position will be considered on an individual basis.

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

To enable the organization to successfully compete in the market with intense competition and to maintain the sustainable growth of the organization, the Company has formulated and implemented the policy on Talent Management as well as implemented Succession Planning for high-level executives. In 2020, the Company annually reviewed the policy, criteria, and implementation process for the programs to ensure effective management of the programs in line with the changing competitive business environment and to support the organization's future growth. Details of the implementation of the programs are as follows:

1. Selection and Development of Talent Workforce

The program's objectives are to ensure that the Company has the Right Supply of Talented Workforce to support competition and sustainable business growth; and to ensure that the Company can retain talented workforce to love and be committed to the organization and continue working with the Company in the long run as well as be good executives and grow to be the successors of executives in the future (Pipeline for Succession Plan Program). The Company has the policy to select and develop employees with high potential, both inside and outside the organization. Internally, employees from the supervisor level and above will be identified for development. Employees who have been selected will receive the opportunity to join the program to develop their knowledge, capabilities, and experiences. The Company will monitor and report the progress of the development to the high-level executives on a continuous basis to ensure that implementation is according to the set plan and goals.

2. Succession Planning

To ensure that key executives or leaders in the organization will have successors who can maintain competitive advantage and sustain business growth as well as to manage risks relating to human resources and retain capable and high caliber employees in the organization, the Company has continuously implemented succession planning. The aim is to build and develop internal personnel who have capability and high potential to grow and advance to be executives in the future by going through a systematic and continuous development process. In 2020, the Company assessed the potential of executives in order to use the information to plan the development of each person's individual strengths and manage their potential for future growth. Emphasis was given to actual on-the-job learning such as Job Rotation, Special Project Assignment, and working closely with executives. The Company also organized courses to provide knowledge and develop important skills, especially personality development of high-level executives and Leader as Coach in order to be able to effectively manage employees of different generations with diverse beliefs. The Company monitors the progress of the development plan and reports the results of the development to the high-level executives on a continuous basis.

2. Directors and Management Development

1. The Company encourages and facilitates those persons involved with good governance of the Company such as the Board of Directors, the Sustainability and Corporate Governance Committee, the Audit Committee, the Remuneration and Nomination Committee, the Management Team, the Head of the Internal Audit Unit, the Company Secretary, the CFO, and the Accountant Controller, a person supervising accounting, to attend training programs or various relevant seminars on a regular basis, especially the training programs held by the IOD. 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 be able to improve their respective work on a continuous 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 and 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, Leadership Competency, an assessment of that person’s potential and degree of preparedness for advancement through using a Performance & Potential Grid system, Learning Agility together with their level of career interest as key deciding factors.
4. During the past year, the Company still recognizes the importance of developing leaders in order to create confidence among all stakeholders, taking into consideration the work of each year and long-term sustainability. The Company believes that leadership development within the organization should correspond with the “Harmony” corporate culture and has thus placed importance on developing leaders 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 established objectives and business goals of the respective projects). In addition, the Company supports the use of coaching skills in developing leaders at various levels of the organization in order to build a Coaching Culture by collaborating with Berkeley Coaching Institute of Haas School of Business, University of California Berkeley, USA, so that the leaders in turn will use the coaching skills with their team. This will stimulate each work team to think of different ways to achieve an assigned task or project. At the same time, the Company also recognizes the ongoing external changes, uncertainties, and complexities in the overall business environment. Thus, the Company has arranged various activities to expand knowledge and new business experiences, so that the Company’s 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%). This is to ensure that the Company's leaders are able to work and take on various respective roles and responsibilities, in order to meet the demands of customers and stakeholders, achieve high customer satisfaction, and be well-prepared to support the ongoing business operations of the Company going forward.

Attendance at various Directors Training Courses held by the IOD

Training Courses/ Year of Attendance Company's Board/ Directors Names	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Advanced Audit Committee Program	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. Adjunct Professor Prasobsook Boondech	2017 / 2020						2016						
2. Police General Phatcharavat Wongsuwan	2017												
3. Mr. Padoong Techasarintr	2005	2008		2008	2001	2003							
4. Mr. Pridi Boonyoung	2005	2010											
5. Mrs. Nampung Wongsmith			2016		2018	2007							
6. Mr. Dhanin Chearavanont	2005												
Mr. Soopakij Chearavanont	2011												
7. Mr. Korsak Chairasmisak					2006	2000							
8. Mr. Suphachai Chearavanont	2011												
9. Mr. Adirek Sripratak	2005					2001							
10. Mr. Umroong Sanphasitvong						2001	2016	2003	2006	2006	2007	2016	
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, the Company's directors and high-level executives attended the "Information Disclosure and Transparency" training course, with speakers from Freshfields Bruckhaus Deringer, a renowned multinational law firm and consultant on corporate governance to the Charoen Pokphand Group.

In 2018, Mr. Umroong Sanphasitvong participated in the National Director Conference 2018 Rising above Disruptions organized by the IOD, in order to prepare in the area of finance and to prepare for the role and duties of a director in managing transformation in the digital era.

In 2019, the Company's directors and high-level executives attended the "Business Ethics Program for High-Level Executives – Dealing with Conflict of Interest" training course, given talks by Professor Dr. Warapatr Todhanakasem and organized by the Charoen Pokphand Group.

In 2020, Adjunct professor Prasobsook Boondech attended Director Accreditation Program – DAP

In 2020, the Charoenpokpan group held the Good Corporate Governance training for year the 2020 to Directors and high level executives of the group. The Company's directors who join this session under the topic Corporate Governance in Practice were Mr. Pittaya Jearavisitkul, Mr.Piyawat Titasattavorakul, and Mr.Tanin Buranaminit who also join the Preventing Corruption & Fraud topic.

3. Assessment of the performance of the Board of Directors

The Company has established an evaluation process of the performance of the Board of Directors of the Company and all sub-committees on an annual basis at least once a year. 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 the Board of Directors 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. The performance evaluation of the Board of Directors is divided into 2 types, that is, assessment of the overall performance of the Board of Directors as a whole and self-assessment of the performance of the individual director.

Process and criteria for performance evaluation of directors

The Company Secretary Office is responsible for sending the performance evaluation form to every director of the Company in order to assess the performance of the Board of Directors and the sub-Committee that he/she is a member. After receiving all of the evaluation forms back, the Company Secretary Office summaries the results and presents the results of the performance evaluation to each sub-Committee to consider the results of their performance during the past year. The Company Secretary Office also reports the results of the performance evaluation of the sub-Committees and the results of the Board performance to the Board of Directors for consideration.

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

- The composition and qualifications of Board Directors have a direct effect on the overall Board performance output and effectiveness, such as the total number of Board 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 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 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 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 performance self-evaluations of Board Directors on an individual basis

There was a high degree of agreement and a very good level of activity undertaken, with the achieved overall average score of 82%; whereby there was only a good degree of agreement or only a good level of activity undertaken with an achieved overall average score of 18%.

8.1.2. Board Members Attendance and Remuneration of Individual Director

1. Board Members Attendance

Names of the Board of Directors and Board Members Attendance for the Year 2020

Name and Surname	Positions	Board of Directors (10 times)	Non-executive Directors Meeting (1 time)	Shareholders' Meetings (1 time)
1. Adj. Pro. Prasobsook Boondech	Independent Director	10/10	1/1	1/1
2. Pol. Gen. Phatcharavat Wongsuwan	Independent Director	10/10	1/1	1/1
3. Mr. Padoong Techasarintr	Independent Director	10/10	1/1	1/1
4. Mr. Pridi Boonyoung	Independent Director	10/10	1/1	0/1
5. Mrs. Nampung Wongsmith	Independent Director	10/10	1/1	1/1
6. Mr. Soopakij Chearavanont	Chairman	9/10	1/1	1/1
7. Mr. Korsak Chairasmisak*	Vice Chairman	10/10	-	1/1
8. Mr. Suphachai Chearavanont	Vice Chairman	9/10	1/1	0/1
9. Mr. Adirek Sripratak	Director	9/10	1/1	0/1
10. Mr. Umroong Sanphasitvong*	Director	10/10	-	1/1
11. Mr. Narong Chearavanont	Director	10/10	1/1	0/1
12. Mr. Prasert Jarupanich	Director	10/10	1/1	1/1
13. Mr. Pittaya Jearavisitkul*	Director	10/10	-	1/1
14. Mr. Piyawat Titasattavorakul*	Director	10/10	-	1/1
15. Mr. Tanin Buranamanit*	Director	10/10	-	1/1

* Executive Director

Remark : Shareholder's Meeting was held during the pandemic of the Coronavirus Disease 2019 (COVID-19) which limited the number of meeting participants.

2. Remuneration of Individual Director

The Remuneration and Nomination Committee considers payment criteria and forms of director compensation before presenting to the Board of Directors and the shareholders' meeting for approval every year. The remuneration of directors is adjusted to be comparable to other companies in the same industry and appealing enough to attract and retain quality directors.

(1) Cash Remuneration

The 2020 Annual General Meeting of Shareholders on July 16, 2020 approved the same rate of remuneration for directors which approved previously in 2019, and as the same rate as the Annual General Meeting of Shareholders on 21 April 2016 has approved 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 of 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 from 1 January – 31 December 2020 (Unit : Baht)

Name and Surname	Positions	Remuneration	Bonus	Total
1. Adj. Pro. Prasobsook Boondech	Chairman of Sustainability and Corporate Governance Committee, and Independent Director	1,440,000	5,266,000	6,706,000
2. Pol. Gen. Phatcharavat Wongsuwan	Chairman of Remuneration and Nomination Committee, Sustainability and Corporate Governance Committee, and Independent Director	1,440,000	5,266,000	6,706,000
3. Mr. Padoong Techasarintr	Chairman of Audit Committee, Sustainability and Corporate Governance Committee, Remuneration and Nomination Committee, and Independent Director	1,440,000	5,266,000	6,706,000
4. Mr. Pridi Boonyoung	Audit Committee and Independent Director	1,200,000	4,389,000	5,589,000
5. Mrs. Nampung Wongsmith	Audit committee and Independent director	1,200,000	4,389,000	5,589,000
6. Mr. Dhanin Chearavanont*	Chairman	-	1,872,000	1,872,000
Mr. Soopakij Chearavanont*	Chairman	1,440,000	4,389,000	5,829,000
7. Mr. Korsak Chairasmisak	Vice Chairman	1,200,000	4,389,000	5,589,000
8. Mr. Suphachai Chearavanont	Vice Chairman, and Remuneration and Nomination Committee	1,200,000	2,487,000	3,687,000

Name and Surname	Positions	Remuneration	Bonus	Total
9. Mr. Adirek Sripratak	Director	720,000	2,633,000	3,353,000
10. Mr. Umroong Sanphasitvong	Director, and Sustainability and Corporate Governance Committee	720,000	2,633,000	3,353,000
11. Mr. Narong Chearavanont	Director	720,000	2,633,000	3,353,000
12. Mr. Prasert Jarupanich	Director	720,000	2,633,000	3,353,000
13. Mr. Pittaya Jearavisitkul	Director	720,000	2,633,000	3,353,000
14. Mr. Piyawat Titasattavorakul	Director	720,000	2,633,000	3,353,000
15. Mr. Tanin Buranamanit	Director	720,000	2,633,000	3,353,000
Total		15,600,000	56,144,000	71,744,000

* Mr. Dhanin Chearavanont receive bonus from the chairman position during January 1 – May 8, 2020, and Mr. Soopakij Chearavanont receive bonus from the chairman position during May 9 – December 31, 2020

In addition, the Company's Audit Committee received remuneration of Baht 38,000 from a subsidiary company (Panyapiwat Institute of Management) for being their Audit Committee in 2020.

**Remuneration for Directors of Subsidiaries' company (Siam Makro Public Co., Ltd.)
from January 1 – December 31, 2020 (Unit : Baht)**

Name and Surname	Positions	Remuneration	Bonus	Total
1. Mr. Supachai Chearavanont	Chairman	1,612,000	-	1,612,000
2. Adj. Pro. Prasobsook Boondech	Independent director / Member of the Nomination and Remuneration Committee	1,260,000	215,270	1,475,270
3. Mr. Korsak Chairasmisak	First Vice Chairman/ Member of the Nomination and Remuneration Committee	1,260,000	1,462,240	2,722,240
4. Mr. Umroong Sanphasitvong	Director and Member of the Corporate Governance Committee	1,260,000	1,462,240	2,722,240
5. Mr. Adirek Sripratak	Director	1,200,000	1,392,610	2,592,610
6. Mr. Narong Chearavanont	Director	1,200,000	1,392,610	2,592,610
7. Mr. Prasert Jarupanich	Director	1,200,000	1,392,610	2,592,610
8. Mr. Pittaya Jearavisitkul	Director	1,200,000	1,392,610	2,592,610
9. Mr. Piyawat Titasattavorakul	Director	1,200,000	1,392,610	2,592,610

(2) Other Remuneration

-None-

8.1.3. Corporate Governance of Subsidiary Companies and Associated Companies

The Company's Board of Directors has determined that an associated mechanism and operating framework be established for the corporate governance of the policies and operations of Subsidiary Companies, Associated Companies and other businesses in which the Company has made joint investments, both of are to be significant in natural 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 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 as defined in Charter of the Company's Board of Directors.
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 organizations, 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.

8.1.4. Monitoring to Ensure Compliance with Corporate Governance Policy and Guidelines on Good Corporate Governance

The Company gives importance to corporate governance. Thus, it has included in the Company's Policy on Corporate Governance, the Handbook on Business Ethics and Code of Business Conducts as well as training, testing, communication and organizing various activities to encourage action to build confidence among all stakeholders.

In 2020, the Company monitors to ensure compliance with corporate governance covers 1) human rights and labor practice 2) leadership and human capital development 3) stakeholders engagement 4) anti-corruption 5) social impact, health and well-being 6) education 7) innovation management 8) occupational safety, health and environment 9) climate change management 10) water stewardship 11) ecosystem and biodiversity protection 12) responsible supply chain management 13) local conflict management and community acceptance. Thus, it shown that the Company has fully complied with the framework and objectives of each issue.

In addition, the Company monitors to ensure compliance with corporate governance in other 4 issues as follows:

1. Preventing Conflicts of Interests

The Board of Directors of the Company has the duty and responsibilities to oversee and manage any conflict of interests transactions 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 the 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 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 Board 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 Board Directors and Executives of the Company and of the Subsidiary Companies to submit a report every year of their vested interests, as well as to update these reports every time there are any changes; 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 'vested interests' report also includes information on the vested interest of and relationships with their immediate family members and close associates that may also result in situations of 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 third-party, as well as must be to the maximum benefits of the Company. Further, those Board Directors and Management members with a vested interest must not participate in the discussions, consideration, and approval process.
- The Company has established the policy and guidelines on conflicts of interest so that directors, executives, and employees have guidelines to follow in performing their duties with honesty and transparency, not seeking personal benefits and/or benefits for related persons, and preventing possible conflicts of interest with the Company. The Company has set the roles and responsibilities of the Board of Directors, executives, responsible units, and employees as well as operating guidelines.

Furthermore, the Company has given examples of situations that may cause conflicts of interest to ensure clear understanding.

- 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 Board 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 an involved Board 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.

During the past 4 years, there was no connected transaction in 2017 and 2019–2020. In 2018, the Company entered into one (1) connected transaction that is the purchase of ordinary shares of Thai Smart Card Company Limited from True Corporation Public Company Limited, with a transaction value of approximately Baht 454 million. The connected transaction is considered as a medium size transaction related to assets and service. The transaction was approved by the Audit Committee and the Board of Directors who has no interest in the transaction that the transaction is deemed reasonable and for the best interest of the Company, as well as for the benefit of all shareholders. Additional details were provided in the Information Memorandum of Connected Transaction which was disclosed to the Stock Exchange of Thailand on 13 November 2018. In addition, the Company and its subsidiaries did transactions with related parties in which these inter-company transactions were made and agreed as a normal business transaction that the Management Team can conduct under the principles set by the Board of Directors.

2. The Misuse of Inside Confidential Information for Personal Gain

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 Business 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 Board Directors, Executives and employees. This is aimed to be measured to prevent the misuse of inside confidential information (or insider trading) by any involved parties, such as Board Directors, Executives and employee working in the Business Units that deal with confidential Company 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 securities of the Company by directors and executives of the Company, they are required to file a report at least one (1) business day prior to the actual trading of such securities are made, through using the Pre-59 Form "Advance Notice of Trading of the Securities 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 of the securities of the Company is completed, then a report on the changes in securities holding, Form 59, must be submitted electronically to the SEC within 3 business days after the actual trade has been made; whereby the SEC will disclose this information on the changes in securities holding on its website. This will enable investors to monitor

such changes in securities holding by the said persons who are in the position or situation that might have access to inside information of the Company and might make use of such information for their own personal benefit prior to the information being disclosed to the general public.

- Board 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 such persons who are able to access to or have in their possession any confidential inside information (Insider List); namely Board 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 “Blackout period”, 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 Directors, and by their spouses, as well as children and adopted children who are not yet of legal age.

As such, during 2020, there were no incidents relating to any breach of inside information on the part of Board Directors, Executive Directors, high-level Executives, and employees of the Company.

Shareholdings of the Company by Directors for 2020 and 2019

Name	Position	2020		2019	Increase/ Decrease (Shares)
		% to paid-up 8,983,101,348	no. of share (shares)	no. of share (shares)	
Adjunct Professor Prasobsook Boondech	Independent Director and Chairman of Sustainability and Corporate Governance Committee	-	-	-	-
Spouse and minor child		-	-	-	-
Police General Phatcharavat Wongsuwan	Independent Director, Chairman of Remuneration and Nomination Committee and Sustainability and Corporate Governance Committee	-	-	-	-
Spouse and minor child		-	-	-	-

Name	Position	2020		2019	Increase/ Decrease (Shares)
		% to paid-up 8,983,101,348	no. of share (shares)	no. of share (shares)	
Mr. Padoong Techasarintr	Independent Director, Chairman of Audit Committee, Sustainability and Corporate Governance Committee and Remuneration and Nomination Committee	0.00011	9,824	9,824	-
Spouse and minor child		-	-	-	-
Mr. Pridi Boonyoung	Independent Director and Audit Committee	0.00759	681,478	681,478	-
Spouse and minor child		-	-	-	-
Mrs. Nampung Wongsmith	Independent Director and Audit Committee	-	-	-	-
Spouse and minor child		-	-	-	-
Mr. Soopakij Chearavanont	Chairman	0.00248	222,396	222,396	-
Spouse and minor child		-	-	-	-
Mr. Korsak Chairasmisak	Vice Chairman and Chairman of Executive Committee	0.10094	9,067,580	9,027,235	40,345
Spouse and minor child		-	-	-	-
Mr. Suphachai Chearavanont	Vice Chairman, Authorized Director, Remuneration and Nomination Committee	-	-	-	-
Spouse and minor child		0.00004	4,000	3,000	1,000
Mr. Adirek Sripratak	Director	-	-	-	-
Spouse and minor child		-	-	-	-
Mr. Umroong Sanphasitvong	Director, Sustainability and Corporate Governance Committee and Member of Executive Committee	-	-	-	-
Spouse and minor child		-	-	-	-
Mr. Narong Chearavanont	Director	0.00339	304,802	304,802	-
Spouse and minor child		-	-	-	-
Mr. Prasert Jarupanich	Director	-	-	-	-
Spouse and minor child		-	-	-	-
Mr. Pittaya Jearavisitkul	Director and Vice Chairman of Executive Committee	0.02189	1,966,209	1,947,726	18,483
Spouse and minor child		-	-	-	-
Mr. Piyawat Titasattavorakul	Director and Vice Chairman of Executive Committee	0.00102	91,256	76,550	14,706
Spouse and minor child		0.00002	2,000	2,000	-

Name	Position	2020		2019	Increase/ Decrease (Shares)
		% to paid-up 8,983,101,348	no. of share (shares)	no. of share (shares)	
Mr. Tanin Buranamanit	Director, Member of Executive Committee and	0.00576	517,560	495,300	22,260
Spouse and minor child	Chief Executive Officer	-	-	-	-
Total shareholding by Directors		0.14324	12,867,105	12,770,311	96,794

Shareholdings of the Company by High-level Executives for 2020 and 2019

Name	Position	2020		2019	Increase/ Decrease (Shares)
		% to paid-up 8,983,101,348	no. of share (shares)	no. of share (shares)	
Mr. Wisade Wisidwinyoo	Member of Executive Committee	0.00066	59,055	63,008	(3,953)
Spouse and minor child		0.00223	200,000	-	200,000
Mr. Taweesak Kaewrathtanapattama	Member of Executive Committee, Senior Vice President – Accounting and Finance and Chief Finance Office	0.00118	105,679	88,760	16,919
Spouse and minor child		0.00537	482,103	482,103	-
Mr. Vichien Chuengviroj	Member of Executive Committee, Senior Vice President – Corporate Asset and Facilities Management	0.00044	39,236	32,961	6,275
Spouse and minor child		-	-	-	-
Ms. Lawan Tienghongsakul	Member of Executive Committee, Senior Vice President – Human Resource	0.00371	333,183	325,260	7,923
Spouse and minor child		0.0004	3,500	3,500	-
Mr. Yuthasak Poomsurakul	Managing Director (Co)	0.00167	150,348	141,842	8,506
Spouse and minor child		-	-	-	-
Mr. Vichai Janjariyakun	Managing Director (Co)	0.00183	164,491	158,889	5,602
Spouse and minor child		-	1,600	1,600	-
Mr. Kriengchai Boonpoapichart	Senior Vice President – Accounting and Finance (Vice)	0.00384	345,078	330,948	14,130
Spouse and minor child		-	-	-	-
Mr. Ampa Yongpisanpop	Senior Vice President – Distribution Center Function	0.00097	87,353	80,794	6,559
Spouse and minor child		-	-	-	-
Mr. Wiwat Pongritsakda	Vice President – Information Technology	0.000037	33,223	27,642	5,581
Spouse and minor child		-	-	-	-

Name	Position	2020		2019	Increase/ Decrease (Shares)
		% to paid-up 8,983,101,348	no. of share (shares)	no. of share (shares)	
Mrs. Phaphatsorn Thanasorn	Vice President – Purchasing	0.00127	114,277	110,273	4,004
Spouse and minor child		-	-	-	-
Mr. Ronnakitt Pojamarnpornchai	Vice President – Corporate Strategy	0.00118	105,831	99,091	6,740
Spouse and minor child		0.00029	26,467	25,001	1,466
Total Shareholding by Management		0.02505	2,251,424	1,971,672	279,752
Total Shareholding by Directors and Management		0.16828	15,118,529	14,741,983	376,546

3. Anti-corruption

The Board of Directors recognizes and highlights the importance of good corporate governance by providing support to the Company in joining the declaration of intent and becoming a certified member of the Collective Action Coalition Against Corruption (CAC). On June 30, 2020, the Company received the renewed certification of Thailand's Private Sector Collective Action Coalition Against Corruption for the first time and the certification will be valid in 3 years. The Company is also a member of the United Nations Global Compact (UNGC). The Board of Directors had approved the resolution of the Anti-corruption Policy and practices on Anti-corruption, No Gift Policy, Entertainment Expenses, Sponsorship and Donation. The Company has regulated that all directors, executives and employees must comply with the Anti-corruption Measure, by having no direct nor indirect involvement in any corruption matters. They shall not be indifferent nor ignore any corruption cases arisen in the Company. To provide knowledge and understanding on the Anti-corruption Measure. The Company has educated on anti-corruption via communication, public relation, and training also disciplinary punishment has been communicated to the Company's directors, executives and employees. In addition, orientation has been arranged for new employees to be acknowledged on such policy and practices. The Company has also set the guidelines of monitoring and evaluating performance in compliance with the Anti-corruption Policy.

The Company truly believes that sustainable success is based on responsible business operations throughout the supply chain, such as respect for human rights, good corporate governance, and caring for the environment. Thus, the Company has formulated the Supplier Code of Conduct and Guideline that is in line with the principles of the UN Global Compact and related laws and regulations, as a guide for business partners to conduct business together responsibly in the supply chain. The Company organizes seminars for business partners to encourage them to join the CAC SME Certification Program of the Collective Action Coalition Against Corruption (CAC).

The Company's implementation in accordance with preventive anti-corruption policy

The Company has stipulated anti-corruption policy and practices for the management and employees to strictly uphold. Roles and responsibilities of the Risk Management Department have been defined as follows:

1. Coordinate and give recommendations on work process and other matters related to anti-corruption
2. Give advices to the executives on assessing anti-corruption risks and collect such risk outcomes to further develop the corporate anti-corruption risk documents

3. Present data on the occurrence of corruption-related risks at the corporate level or when new emerging risks have arisen
4. Monitor each unit to gain sufficient prevention and management against corruption risks as well as acknowledge significant corruption risk events to efficiently handle on a timely basis.

In 2020, the Company arranged the projects to upgrade corruption risk management as follow.

- Training on Governance for Young Leaders
- Program to communicate the governance creed, “Honesty, Transparency, Fairness, Consideration for Communities, Society and the Environment”, to executives and employees in the organization
- “Anti-corruption Day” in collaboration with government agencies
- Black Swan Award in which the Company’s employees join a competition on risk issues through electronic channels and QR Code
- Project to put in internal control systems to prevent risks
- CCTV improvement project to reduce corruption risks
- Expansion of anti-corruption training program to employees at all levels as well as Store Business Partners (SBP) and Sub Area License Stores

The Company has provided the executives and employees with training to emphasize and cultivate the awareness of corruption-prone actions. Indicator analysis and corruption risk assessment have been conducted on a regular basis. The corruption risk, as one of the mandatory risks, must be assessed and monitored by every business unit in the Group to quarterly review the control measures to keep up with the change. With the following;

1. The Risk Management Department has monitored and summarized the Company’s revision of corporate risk management. The Department also coordinates with the Internal Audit Office to review and evaluate the risk management outcomes as practice guidelines for employees in preventing corruption from occurring.
2. The Internal Audit Office has assessed and monitored good corporate governance, conformance to the Code of Conduct and Anti-corruption Policy to ensure that every department carried out correctly and in accordance with the policies.

4. Whistleblowing

Besides fraud prevention measures that can help reduce the opportunity for corruption, the Company has established fraud detection measures to detect and report potential fraud cases in a timely manner. The Company has established communication channels for stakeholders and related parties including directors, executives, and employees to report their concerns or suspicions of fraud or cases of unfair treatment (whistleblowing). The Internal Audit Office is responsible for conducting primary investigation, as assigned by the Audit Committee. The Company has given importance to protecting the anonymity of the whistleblower and confidentiality of the complaint to protect the whistleblower against any impacts from whistleblowing. Only authorized persons and related persons are privy to the reporting. In the past year, there were a total of 84 cases of whistleblowing. Seven cases were found to be related to fraud. The Company reviewed the fraudulent cases and prosecuted the wrongdoer as well as determined remedial actions so that the cases do not reoccur. Complaints, suspicious fraudulent activities, unethical behavior, illegal acts or inappropriate acts of directors, executives or employees of the Company and its subsidiaries can be reported via the following channels:

1. By email sent directly to any of the following parties;
 - Audit Committee : AuditCommittee@cpall.co.th
 - Sustainability and Corporate Governance Committee : CGcommittee@cpall.co.th
 - Board of Directors : BOD@cpall.co.th
2. By letter addressed to
The Internal Audit Office of CP All Public Company Limited
119, 16th Floor, Tara Sathon, Soi Sathon 5, South Sathon Rd., Thung Mahamek, Sathon, Bangkok
10120
3. Via the Company's Call Center
Telephone 0 2826 7744 and 0 2071 2770
Fax 0 2071 8623
4. Website: www.cpall.co.th icon "Report Fraud"

8.2 Report of Audit Committee during the past year

8.2.1. Number of Audit Committee Meetings

During 2020, the Audit Committee held a total of 13 meetings, with the Members attending every meeting as follows:

Name		Position	Number of Attendance
1. Mr. Padoong	Techasarintr *	Chairman, Audit Committee	13
2. Mr. Pridi	Boonyoung*	Member, Audit Committee	13
3. Mrs. Nampung	Wongsmith*	Member, Audit Committee	13

* Independent Director

8.2.2. Report of Audit Committee

(appear in Enclosure No. 6)

8.3 Report of Other Sub-committees

8.3.1. Number of Sub-committee Meetings

- **Sustainability and Corporate Governance Committee**

During 2020, the Sustainability and Corporate Governance Committee held 4 meetings, with the Members attending every meeting, as shown below.

Name		Position	Number of Attendance
1. Adjunct Professor Prasobsook Boondech*		Chairman, Sustainability and Corporate Governance Committee	4
2. Police General Phatcharavat Wongsuwan*		Member, Sustainability and Corporate Governance Committee	4
3. Mr. Padoong	Techasarintr*	Member, Sustainability and Corporate Governance Committee	4
4. Mr. Umroong	Sanphasitvong	Member, Sustainability and Corporate Governance Committee	3

* Independent Director

- Remuneration and Nomination Committee**

During 2020, the Remuneration and Nomination Committee held 2 meetings, with the Members attending every meeting, as shown below.

Name		Position	Number of Attendance
1. Police General Phatcharavat Wongsuwan*		Chairman, Remuneration and Nomination Committee	2
2. Mr. Padoong	Techasarintr*	Member, Remuneration and Nomination Committee	2
3. Mr. Suphachai	Chearavanont	Member, Remuneration and Nomination Committee	2

* Independent Director

- Executive Committee**

During 2020, the Executive Committee held 12 meetings, with the Members attending every meeting, as shown below.

Name		Position	Number of Attendance
1. Mr. Korsak	Chairasmisak	Chairman of Executive Committee	12
2. Mr. Pittaya	Jearavisitkul	Vice Chairman of Executive Committee	12
3. Mr. Piyawat	Titasattavorakul	Vice Chairman of Executive Committee	11
4. Mr. Umroong	Sanphasitvong	Member of Executive Committee	10
5. Mr. Tanin	Buranamanit	Member of Executive Committee	10
6. Mr. Wisade	Wisidwinyoo	Member of Executive Committee	12
7. Mr. Taweesak	Kaewrathtanapattama	Member of Executive Committee	12
8. Mr. Vichien	Chuengviroj	Member of Executive Committee	12
9. Ms. Lawan	Tienghongsakul	Member of Executive Committee	10

8.3.2. Report of other Sub-committee

- Sustainability and Corporate Governance Committee**

(appear in report of the Sustainability and Corporate Governance Committee)

- Remuneration and Nomination Committee**

(appear in the report of Remuneration and Nomination Committee)



Internal Control and Related Transactions

9. Internal Control and Related Transactions

9.1 Internal Control

The Company has a strategy to promote growth, sustainable streams of revenue and innovate new products and services that add value for customers and society – which is implemented through work processes that emphasize quality and flexibility. In addition, the Company develops technologies and quality innovations in accordance with a corporate governance framework that reflects the principles of good governance and risk management. The Company also has an efficient and effective internal control system, as well as reliable communications technologies, which enable it to conduct transparent and accountable business operations, and reduce or prevent any potential damages. All of these measures help to ensure that the Company's shareholders and stakeholders are confident in its internal controls.

The Board of Directors has appointed an Audit Committee comprised of 3 independent directors, all of whom possess the full qualifications as required by the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand. The Committee assumes the responsibility of reviewing the Company's financial reports to ensure accuracy and reliability; and reviewing connected transactions or transactions that may lead to conflicts of interest, to ensure that they are reasonable and of the highest benefit to the business. Moreover, the Committee reviews the adequacy of the Company's risk management system and corporate governance in accordance with the Securities and Exchange Act and all other relevant laws. In turn, the Internal Audit Office is responsible for assessing the appropriateness, adequacy, and effectiveness of the Company's overall internal control system in compliance with various laws and regulations, as well as for overseeing the Company's assets and the efficient use of its resources. In carrying out these responsibilities, the Office adheres to the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s Internal Control Framework to make sure that the Company's various departments comply with established internal controls, which include the following processes.

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. Moreover, the Company has CG Quiz at least once a year in order to ensure employees' understanding, realizing of importance and behaving in accordance with corporate governance. 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. In addition, the Company recognizes the importance of continuous human resource development and provides training 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 organization. The Risk Management Committee is responsible for establishing the policy framework in order to manage the risks that impact the Company's business objectives, comprising of corporate risk management, operational risk management as well as communicating 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. Monitoring and action plan are employed to manage risk consistently. Key Risk Indicator (KRI) is also set as a warning tool. 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 to risk and business types. Also, the Company has reviewed operations to be as regulations. The Business Ethics and Code of Conduct and the Company's corporate governance policy provide written guidelines for performance of duties. Employee performances are evaluated by Key Performance Indicators or KPIs, which are tools for planning, control, monitoring and tracking with a guide to business ethics and recommendations in work practice. 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 of 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 has a disclosure policy and guidelines on disclosure of inside information. The Company's policies, regulations, announcements and important news are clearly communicated to all employees via various channels. In addition, the 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 the Company's website or direct to Audit Committee at AuditCommittee@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 which provide important, necessary, and adequate information to make a decision in advance within the regulated time period so that directors have sufficient time to consider the information before attending the meeting. Meantime, the company secretary is assigned to be a coordinator between the Company and Board of Directors, as well as convene the Board of Directors meeting without the Company's executives. 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's monitoring and evaluation process is designed to assess the adequacy of its internal control system. The Internal Audit Office, which is independent of management, assumes the role of validating the system, providing recommendations, auditing and reviewing the compliance of the Company's internal control, risk management, and corporate governance systems, the Code of Business Ethics and anti-corruption measures, in accordance with its audit plan. Additionally, the Office is responsible for following up with audited departments to make sure that all issues and recommendations are fully resolved, following which the Audit Committee will present the audit results to the Board of Directors on a quarterly basis. Finally, the Committee will also meet with external auditors to evaluate the adequacy and effectiveness of the Company's internal control system.

In 2020, the Audit Committee was of the same opinion as to the external auditor that there were no material weaknesses in the Company's internal control system. The Company has in place an adequate internal control system suited to its business, and all units demonstrated compliance with established procedures and regulations.

Internal Audit

The Internal Audit Office is an independent, fair, and ethical unit which operates under the oversight of the Audit Committee. The Office operates in accordance with its charter, which outlines its mission, scope of work, authorities and responsibilities, as well as clearly defines its auditing measures, which are regularly reviewed to maintain appropriateness. The Office develops audit plans in consideration of risks, and emphasizes on having a preventive system that enhances the Company's efficiency and effectiveness. The Office's duties were as follows:

1. The Internal Audit Office improved upon the Company's auditing process by integrating new technologies to support the process; communicate its importance to those in operational roles, and implement audits. Given the Company's Digital Transformation Plan, the Office also adopted new communications technologies to support business operations. Furthermore, due to the importance of the digital transformation process, an IT Audit was carried out to evaluate the background workings of various systems – to assess its security and reduce IT risks. The Office also recognized the importance of having an Integrated Audit, where it supported an approach where the Operations Audit Team and the IT Audit Team would work together to provide recommendations, improve work processes, and monitor any irregularities that might arise while using technology to enhance the efficiency of their auditing work.
2. The Internal Audit Office has reviewed and verified compliance which relies on new laws, in order to establish the Company's operating policy in accordance with the relevant laws. The Company realized the importance of Data Privacy, thus the Company has audited the operation of related persons who are able to reach Data privacy, also reviewed and evaluated the efficiency of the Data Privacy protection system.
3. The Internal Audit Office has focused on the development of auditors by encouraged them to train about auditing knowledge and the relevant laws, also encourage them to have an internal audit professional certification to enhance more knowledge and become expertise in auditing field.

9.2 Related Transaction

In 2020, 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 6 of the Company's financial statements for the year ended December 31, 2020). 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.

In 2020, the Company and its subsidiaries conducted transactions with connected parties, which the Audit Committee has reviewed and approved the rationale for connected transactions as details below.

(Unit : Million baht)

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
C.P. TOWER GROWTH LEASEHOLD PROPERTY FUND	Majority share held by the CP Group	Other expenses	192	
		Other accounts payable		1
KASETPHAND INDUSTRY COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods	1	
		Acquisition of assets and other expenses	10	
CHAROEN POKPHAND GROUP COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Dhanin Chearavanont and have two common Directors who are 1) Mr. Suphachai Chearavanont and 2) Mr. Soopakij Chearavanont	Revenue from sale of goods	1	
		Other expenses	19	
CHAROEN POKPHAND PRODUCE COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods	3	
CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	Majority share held by the CP Group and have four common Directors who are 1) Mr. Soopakij Chearavanont, 2) Mr. Suphachai Chearavanont, 3) Mr. Adirek Sripratak and 4) Police General Phatcharavat Wongsuwan	Revenue from sale of goods and rendering of services and other income	48	
		Cost of sales of goods	361	
		Trade accounts receivable		7
		Trade and other accounts payable		35
CHAROEN POKPHAND ENTERPRISE COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	9	
CHIA TAI PRODUCE COMPANY LIMITED	Majority share held by Mr. Dhanin Chearavanont who is Mr. Soopakij Chearavanont's father who is Chairman of CP ALL	Revenue from sale of goods and rendering of services and other income	2	
		Cost of sales of goods	12	
		Trade accounts payable		2

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
CHESTER FOOD COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	11	
		Trade accounts receivable		2
		Trade accounts payable		6
C. P. CONSUMER PRODUCTS 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	102	
		Cost of sales of goods and other expenses	813	
		Trade and other accounts receivable		9
		Trade accounts payable		167
C.P.FACILITY MANAGEMENT COMPANY LIMITED	Majority share held by the CP Group	Other expenses	34	
		Other accounts payable		5
C. P. FOOD STORE COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Dhanin Chearavanont who is their father	Revenue from sale of goods and rendering of services and other income	130	
		Cost of sales of goods	1,649	
		Trade and other accounts receivable		15
		Trade accounts payable		266
C.P. MERCHANDISING COMPANY LIMITED	Majority share held by the CP Group and have one common Director who is Mr. Adirek Sripratak and Mrs. Arunee Watcharananan who is Mr. Adirek's younger sister (CP ALL's Board of Director)	Revenue from sale of goods and rendering of services and other income	161	
		Cost of sales of goods and other expenses	570	
		Trade accounts receivable		3
		Trade accounts payable		85
C.P.LAND PUBLIC COMPANY LIMITED	Majority share held by the CP Group and have one common Director who is Mr. Soopakij Chearavanont	Revenue from sale of goods and rendering of services and other income	23	
		Cost of sales of goods and rendering services and other expenses	5	
		Trade and other accounts receivable		6

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
C.P. INTERTRADE CO., LTD.	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Dhanin Chearavanont who is their father	Revenue from sale of goods and rendering of services and other income	1	
		Other expenses	3	
		Other accounts payable		1
C.P. PACKAGING INDUSTRY COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	22	
		Cost of sales of goods and other expenses	739	
		Trade and other accounts receivable		12
		Trade accounts payable		188
CP B&F (THAILAND) COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	41	
		Cost of sales of goods and other expenses	2,024	
		Trade and other accounts receivable		12
		Trade and other accounts payable		271
CP MATCH COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder	Other expenses	27	
		Other accounts payable		19
CP HILAI HARBOUR COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	7	
		Trade and other accounts receivable		1
CP-MEIJ I 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	103	
		Cost of sales of goods and rendering of services and other income	3,607	
		Trade and other accounts receivable		15
		Trade and other accounts payable		608

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
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	254	
		Cost of sales of goods and other expense	20	
		Trade and other accounts receivable		30
		Trade and other accounts payable		117
CPF TRADING COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	413	
		Cost of sales of goods and other expenses	23,454	
		Trade and other accounts receivable		42
		Trade and other accounts payable		3,858
CPF FOOD AND BEVERAGE COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	24	
		Trade and other accounts receivable		2
CPF RESTAURANT AND FOOD CHAIN COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	56	
		Cost of sales of goods and rendering of services and other expenses	65	
		Trade and other accounts receivable		5
		Trade and other accounts payable		21
CPF IT CENTER 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	32	
		Trade accounts receivable		29
SENDIT (THAILAND) COMPANY LIMITED	Majority share held by the CP Group by indirect held through related company which have major shareholders including Mr. Soopakij Chearavanont , Mr. Suphachai Chearavanont, Mr. Narong Chearavanont, and close relatives	Other expenses	10	

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
DEES SUPREME COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives	Revenue from sale of goods and other income	1	
		Cost of sales of goods and Other expenses	401	
		Trade accounts payable		66
DAINAMIC TRANSPORT COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	2	
		Cost of sales of goods	155	
		Trade accounts payable		54
TRUE GS COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	2	
		Cost of sales of goods	25	
		Trade accounts payable		21
TRUE DIGITAL GROUP COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	170	
		Cost of rendering of services and other expenses	1	
		Trade and other accounts receivable		26
		Trade and other accounts payable		1
TRUE DISTRIBUTION & SALES COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	263	
		Acquisition of assets and cost of sales of goods and other expenses	664	
		Trade and other accounts receivable		74
		Trade and other accounts payable		95
TRUE PROPERTIES COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder and have one common Directors who is Mr. Suphachai Chearavanont	Revenue from sale of goods and rendering of services and other income	7	
		Other expenses	1	
		Trade and other accounts receivable		4

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
TRUE MONEY COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives as major shareholders	Revenue from sale of goods and rendering of services and other income	515	
		Cost of sales of goods and other expenses	30,001	
		Trade and other accounts receivable		67
		Trade and other accounts payable		243
TRUE MOVE COMPANY LIMITED	Majority share held by the CP Group	Revenue from rendering of services	(13)	
		Trade and other accounts receivable		1
TRUE MOVE H UNIVERSAL COMMUNICATION COMPANY LIMITED	Majority share held by the CP Group and have one common Directors who is Mr. Suphachai Chearavanont	Revenue from sale of goods and rendering of services and other income	821	
		Cost of sales of goods and rendering of services and other expenses	183	
		Trade and other accounts receivable		198
		Trade and other accounts payable		69
TRUE UNITED FOOTBALL CLUB COMPANY LIMITED	Majority share held by the CP Group	Trade accounts payable		4
TRUE LEASING COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder	Cost of sales of goods and rendering of services and Other expenses	79	
		Trade and other accounts payable		25
TRUE LIFESTYLE RETAIL COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder	Revenue from sale of goods and rendering of services and other income	7	
		Trade and other accounts receivable		1
TRUE VISIONS GROUP COMPANY LIMITED	Majority share held by the CP Group and have three common Directors who are Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont and Mr. Narong Chearavanont	Revenue from sale of goods and rendering of services and other income	1	
		Other expenses	2	
		Trade accounts payable		1

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
TRUE INTERNET CORPORATION COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	10	
		Acquisition of assets, Cost of rendering of services and other expenses	403	
		Trade and other accounts payable		27
TRUE INTERNET DATA CENTER COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholders	Cost of rendering of services and other expenses	27	
		Other accounts payable		5
TRUE E-LOGISTICS COMPANY LIMITED	Majority share held by the CP Group	Cost of rendering of services and other expenses	63	
		Other accounts payable		22
TRUE ICONSIAM COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholders	Other expenses	2	
THAI KODAMA COMPANY LIMITED	Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholders	Revenue from sale of goods and other income	2	
		Cost of sales of goods	30	
		Trade accounts payable		5
B&F COFFEE COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	17	
		Trade and other accounts receivable		2
LEADERSHIP DEVELOPMENT CHAROEN POKPHAND GROUP COMPANY LIMITED	Majority share held by the CP Group and have two common Directors who are Mr. Narong Chearavanont and Mr. Prasert Jarupanich	Revenue from sale of goods and rendering of services and other income	4	
		Other expenses	108	
		Trade and other accounts receivable		2
		Other accounts payable		18

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
PANTAVANIJ COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholders and have two common Directors who are Mr. Suphachai Chearavanont and Mr. Umroong Sanphasitvong	Revenue from sale of goods and other income	13	
		Acquisition of assets, cost of rendering of services and other expenses	13	
		Trade and other accounts receivable		1
		Other accounts payable		3
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	78	
		Cost of sales of goods and other expenses	1,221	
		Trade and other accounts receivable		7
		Trade accounts payable		265
PANTHER ENTERTAINMENT COMPANY LIMITED	Majority share held by the CP Group and have three common Directors who are Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and Mr. Suphachai Chearavanont	Revenue from sale of goods and rendering of services and other income	1	
		Other expenses	16	
FREEWILL SOLUTIONS COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder and have two common Directors who are Mr. Suphachai Chearavanont and Mr. Prasert Jarupanich	Acquisition of assets and other expenses	24	
		Other accounts payable		2
POKPHAND ENTERPRISE COMPANY LIMITED	Majority share held by the CP Group and have one common Director who is Mr. Prasert Jarupanich	Other expenses	7	
MAGNOLIA QUALITY DEVELOPMENT CORPORATION COMPANY LIMITED	Majority share held Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholders	Revenue from sale of goods and rendering of services	14	
		Trade accounts receivable		2
WHIZDOM LANDMARK CORPORATION COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder and have one common Director who is Mr. Narong Chearavanont	Other expenses	4	

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
ARBER ACERS THAILAND COMPANY LIMITED	Majority share held by the CP Group and have three common Directors who are Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Adirek Sripratak	Revenue from sale of goods	3	
INTERNATIONAL PET FOOD COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	9	
		Cost of sales of goods	127	
		Trade and other accounts receivable		1
		Trade accounts payable		31
EGG DIGITAL COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder	Acquisition of assets and cost of sales of goods and other expenses	48	
		Other accounts receivable		1
		Other accounts payable		10
ADVANCE PHARMA COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and other income	1	
		Cost of sales of goods	8	
		Trade accounts payable		1
ASCEND FOOD COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods	85	
ICONSIAM COMPANY LIMITED	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholder and have three common Directors who are Mr. Umroong Sanphasitvong, Mr. Piyawat Titasattavorakul and Mr. Narong Chearavanont	Other expenses	9	
C.P.CAMBODIA COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services	7	
		Cost of sales of goods	77	
		Trade and other accounts payable		5
C.P.VIETNAM CORPORATION	Majority share held by the CP Group	Revenue from sale of goods and rendering of services	16	
		Cost of sales of goods	48	
		Trade accounts receivable		1
		Trade and other accounts payable		1

Connected Party	Characteristics of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2020*	Outstanding Value as at 31 Dec 2020**
CHAROEN POKPHAND FOODS CANADA INC.	Majority share held by the CP Group	Cost of sales of goods	20	
CP AVANT PRIVATE LIMITED	Majority share held by the CP Group	Cost of sales of goods and other expenses	3	
		Other accounts payable		1
CP B&F (CAMBODIA) COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	(2)	
		Trade and other accounts receivable		9
CP COFFEE BUSINESS HONGKONG COMPANY LIMITED	Majority share held by the CP Group	Other accounts receivable		14
CP FOODS (UK) LIMITED	Majority share held by the CP Group	Cost of sales of goods	2	
OTHERS		Revenue from sale of goods and rendering of services and other income	29	
		Acquisition of assets, cost of sales of goods and other expenses	15	
		Trade and other accounts receivable		114
		Trade and other accounts payable		28

*/**As of December 31, 2020 / Unit: Million Baht

Note: The details of related transactions in 2020 and 2019 has been disclosed in 56-1 and Annual Report which is comparable.

Connected transactions for normal business transactions or supporting normal business transactions 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 February 18, 2010.

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 practices 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 practices and general commercial conditions.
Cost of sales of goods and rendering of services	The rates are in line with normal business practices and general commercial conditions and standardized with purchases made by general customers.
Cost of rendering of services and other expenses	The rates are in line with normal business practices and general commercial conditions.
Acquisition of assets	The rates are in line with normal business practices and general commercial conditions and standardized with acquisitions made by general customers.

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. 21/2008 Re: Rules on Connected Transactions. The Audit Committee will comply with the Securities and Securities Exchange laws, regulations and announcements 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 the 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 in the future

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.



Part 3

Financial Statements

Board of Directors' Statement of Responsibility for Financial Reports

The Board of Directors is responsible for the separate and consolidated financial statement of CP ALL Public Company Limited and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2020, 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, 2020.



(Mr. Soopakij Chearavanont)
Chairman



(Mr. Korsak Chairasmisak)
Chairman of Executive Committee



Annual Financial Statements and Independent Auditor's Report of Certified Public Accountant

CP ALL Public Company Limited and its Subsidiaries
Financial Statements for the year ended 31 December 2020

Independent Auditor's Report

CP ALL Public Company Limited and its Subsidiaries

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 2020, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories	
Refer to notes 4(g) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management's judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories. I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood the inventory control and management policy and the estimation of net realisable value of inventories. - Tested a sample of the aging of inventory and the reasonableness of assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories determined by management and compared that percentage with information for destruction and shrinkage inventories. - Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value. - Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Impairment of goodwill and other intangible assets	
Refer to notes 4(j), 4(m), 15 and 16 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition.</p> <p>The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions.</p> <p>The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood the process of the estimated recoverable amount to assess the impairment. - Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions. - Considered the adequate of the Group's disclosures in accordance with Thai Financial Reporting Standards.

First time adoption of TFRS 16 Leases	
Refer to notes 3(b), 4(k), 14, 17 and 24 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group leases several land and buildings. The first time adoption of TFRS 16 required management to identify all contracts that contain a lease. Management had to collect a high amount of data to identify all leases and determine their contractual terms such as lease period, discount rate, renewal options, non-lease components, etc.</p> <p>The Group elected to use the modified retrospective transition approach as at 1 January 2020 recognising the right-of-use assets and lease liabilities at that date and adjusting the cumulative effect of the adoption of TFRS 16 in retained earnings.</p> <p>As at 31 December 2020, the Group recognised right-of-use assets amounting to Baht 52,899 million and Baht 41,011 million and lease liabilities amounting to Baht 50,583 million and Baht 42,018 million in consolidated and separate statement of financial position, respectively.</p> <p>Due to the first time adoption of TFRS 16 relevant to high degree of judgement and the material impact to the Group's financial statements, I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the Group's policy, data collection process, and process for, and controls over, identification of all leases and the determination of their contractual terms. - Obtained the Group's quantification of right-of-use assets and the lease liabilities. For a sample of leases, corroborated the values recognised with the data collected and assessed the appropriateness of the determination of the lease terms and the calculation of the right-of-use assets and lease liabilities. - Tested the reconciliation to the Group's operating lease commitments as reported in the prior year financial statements, and verified the key service contracts to assess whether they contained a lease under TFRS 16. - Assessed the methodology, and significant assumptions adopted by management in determining discount rate. - Tested the calculation of the adjustment on first time adoption of TFRS 16. - Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, 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 2021

Statement of financial position

CP ALL Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	7	40,589,081,046	29,860,512,542	21,577,546,296	17,895,285,548
Current investments	8	36,568,950	658,571,919	-	-
Trade accounts receivable	6, 32	1,650,221,749	1,718,002,000	251,727,193	116,091,721
Other current receivables	6, 32	7,177,743,244	7,729,043,159	5,264,342,188	5,174,188,651
Short-term loans to subsidiaries	6	-	-	5,500,000,000	6,116,500,000
Inventories	6, 9	31,748,781,315	31,537,849,390	15,107,036,417	14,683,841,916
Derivatives assets	32	513,478	-	-	-
Other current assets		201,038,039	419,217,414	162,829,906	273,570,235
Total current assets		81,403,947,821	71,923,196,424	47,863,482,000	44,259,478,071
Non-current assets					
Investments in subsidiaries	11	-	-	201,010,496,273	199,527,531,304
Investment in associate	10	85,552,404,610	-	85,634,847,791	-
Investment in related company	6	34,000,000	34,000,000	34,000,000	34,000,000
Other long-term investments		2,041,800	2,041,800	-	-
Other non-current receivables	6	170,938,304	1,576,268,311	-	1,085,642,493
Investment properties		332,832,502	332,832,502	-	-
Property, plant and equipment	6, 13	120,198,568,265	116,082,072,184	39,068,823,978	35,095,978,841
Right-of-use assets	14	52,898,697,527	-	41,010,868,851	-
Leasehold rights		-	3,916,632,928	-	361,117,272
Goodwill	15	128,096,020,528	128,096,020,528	-	-
Intangible assets other than goodwill	6, 16	51,706,294,153	51,383,824,998	1,973,594,681	1,688,978,185
Deferred tax assets	29	1,786,493,870	1,291,216,517	1,117,351,038	626,103,383
Other non-current assets	6	1,172,090,328	979,348,056	1,290,810,764	1,237,966,689
Total non-current assets		441,950,381,887	303,694,257,824	371,140,793,376	239,657,318,167
Total assets		523,354,329,708	375,617,454,248	419,004,275,376	283,916,796,238

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

Statement of financial position

CP ALL Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Short-term borrowings from					
financial institutions	17, 32	1,050,248,650	3,326,783,629	-	2,500,000,000
Trade accounts payable	6, 18, 32	72,777,713,069	78,549,536,720	36,492,527,894	41,331,658,456
Other payables	6, 19, 32	14,799,539,482	15,169,853,937	15,521,456,203	18,496,677,333
Contract liabilities	23	957,796,709	794,163,919	-	-
Short-term borrowings from					
subsidiary	6, 17	-	-	-	700,000,000
Short-term borrowings from					
other parties	17, 32	6,007,420	14,473,920	-	-
Current portion of debentures	17, 32	14,500,841,304	12,289,800,000	14,500,841,304	12,289,800,000
Current portion of long-term					
borrowings from financial					
institutions	17, 32	5,324,505,824	238,688,568	-	-
Current portion of lease liabilities					
(2019: Current portion of					
finance lease liabilities)	6, 17, 32	7,400,519,692	92,346,896	6,772,163,533	-
Income tax payable		1,210,134,515	1,532,910,483	-	379,237,114
Derivatives liabilities	32	4,387,302,372	-	4,386,416,127	-
Other current liabilities		968,039,779	908,597,642	641,007,820	638,077,789
Total current liabilities		123,382,648,816	112,917,155,714	78,314,412,881	76,335,450,692
Non-current liabilities					
Debentures	17, 32	138,494,974,464	120,593,800,000	138,494,974,464	120,593,800,000
Long-term borrowings from					
financial institutions	17, 32	83,007,576,748	8,599,261,480	79,620,397,657	-
Lease liabilities					
(2019: Finance lease liabilities)	6, 17, 32	43,182,892,255	549,429,782	35,246,188,174	-
Provisions for employee benefits	20	5,085,198,792	4,842,898,783	2,866,139,225	2,771,801,939
Accrued guarantee deposits	32	3,633,861,139	3,926,376,529	3,621,843,281	3,858,827,866
Deferred tax liabilities	29	14,946,902,816	15,003,566,594	-	-
Other non-current liabilities		25,244,743	817,168,878	-	198,315,656
Total non-current liabilities		288,376,650,957	154,332,502,046	259,849,542,801	127,422,745,461
Total liabilities		411,759,299,773	267,249,657,760	338,163,955,682	203,758,196,153

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

Statement of financial position

CP ALL Public Company Limited and its Subsidiaries

Liabilities and equity (Continued)	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(8,986 million ordinary shares, par value at Baht 1 per share)		8,986,296,048	8,986,296,048	8,986,296,048	8,986,296,048
Issued and paid-up share capital					
(8,983 million ordinary shares, par value at Baht 1 per share)		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	21				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Deficit from changes in ownership interests in subsidiaries	21	(1,462,713,268)	(1,442,732,789)	-	-
Retained earnings					
Appropriated					
Legal reserve	21	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		68,357,833,009	65,853,268,522	49,363,747,267	48,682,027,658
Perpetual subordinated debentures	22	19,909,154,200	19,909,154,200	19,909,154,200	19,909,154,200
Other components of equity		(1,612,948,189)	(2,148,249,520)	-	-
Equity attributable to equity holders of the Company		96,758,743,979	93,738,858,640	80,840,319,694	80,158,600,085
Non-controlling interests	12	14,836,285,956	14,628,937,848	-	-
Total equity		111,595,029,935	108,367,796,488	80,840,319,694	80,158,600,085
Total liabilities and equity		523,354,329,708	375,617,454,248	419,004,275,376	283,916,796,238

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

Statement of income

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenues	6				
Revenue from sale of goods and rendering of services		525,884,319,399	550,900,785,536	300,705,032,096	334,061,076,230
Interest income		156,535,609	294,467,357	337,590,810	481,282,052
Dividend income		299,638	256,406	6,768,016,930	6,571,094,577
Net foreign exchange gain		225,976,671	103,577,238	146,908,098	887,417
Other income	25	20,322,864,346	19,810,971,226	20,572,106,313	19,919,733,731
Total revenues		546,589,995,663	571,110,057,763	328,529,654,247	361,034,074,007
Expenses	6				
Cost of sale of goods and rendering of services		410,880,026,805	426,063,155,887	216,980,999,314	240,234,513,413
Distribution costs		91,135,550,810	93,390,375,345	77,152,016,030	79,182,021,703
Administrative expenses		16,722,647,070	18,171,689,335	11,981,566,379	13,294,425,941
Total expenses		518,738,224,685	537,625,220,567	306,114,581,723	332,710,961,057
Profit from operating activities		27,851,770,978	33,484,837,196	22,415,072,524	28,323,112,950
Finance costs	6, 28	8,525,992,023	6,720,979,703	7,822,083,157	6,326,018,579
Share of loss of associate accounted for using equity method		63,415,210	-	-	-
Profit before income tax expense		19,262,363,745	26,763,857,493	14,592,989,367	21,997,094,371
Income tax expense	29	2,759,491,185	4,069,742,965	295,026,227	1,816,992,522
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
Profit attributable to:					
Equity holders of the Company		16,102,416,901	22,343,084,745	14,297,963,140	20,180,101,849
Non-controlling interests	12	400,455,659	351,029,783	-	-
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
Basic earnings per share (in Baht)	30	1.68	2.38	1.48	2.14

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

Statement of comprehensive income

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		558,361,729	(860,288,021)	-	-
Loss on cash flow hedges	10, 32	(4,698,469,364)	-	(4,698,469,364)	-
Gain on cash flow hedges	32	391,556,381	-	391,556,381	-
Gain on cash flow hedges reclassified to profit or loss	32	(391,556,381)	-	(391,556,381)	-
Share of other comprehensive income of associate accounted for using equity method		(19,027,971)	-	-	-
		<u>(4,159,135,606)</u>	<u>(860,288,021)</u>	<u>(4,698,469,364)</u>	<u>-</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans	20, 29	50,769,512	(544,668,515)	61,123,702	(327,585,140)
Income tax relating to components of other comprehensive income on gain (loss) on remeasurements of defined benefit plans	29	(8,512,201)	98,698,339	(12,224,741)	65,517,028
		<u>42,257,311</u>	<u>(445,970,176)</u>	<u>48,898,961</u>	<u>(262,068,112)</u>
Other comprehensive income for the year, net of income tax		(4,116,878,295)	(1,306,258,197)	(4,649,570,403)	(262,068,112)
Total comprehensive income for the year		<u>12,385,994,265</u>	<u>21,387,856,331</u>	<u>9,648,392,737</u>	<u>19,918,033,737</u>
Total comprehensive income attributable to:					
Equity holders of the Company		11,984,494,957	21,069,361,850	9,648,392,737	19,918,033,737
Non-controlling interests	12	401,499,308	318,494,481	-	-
Total comprehensive income for the year		<u>12,385,994,265</u>	<u>21,387,856,331</u>	<u>9,648,392,737</u>	<u>19,918,033,737</u>

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

CP ALL Public Company Limited and its Subsidiaries

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

Statement of changes in equity

CP ALL Public Company Limited and its Subsidiaries

	Note	Separate financial statements					Other component of equity	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Perpetual subordinated debentures		
				Legal reserve	Unappropriated (in Baht)		Cash flow hedges reserve	
For the year ended 31 December 2020								
Balance at 31 December 2019								
- as previously reported		8,983,101,348	1,684,316,879	900,000,000	48,682,027,658	19,909,154,200	-	80,158,600,085
Impact of changes in accounting policies	3	-	-	-	(1,433,526,080)	-	-	(1,433,526,080)
Balance at 1 January 2020		8,983,101,348	1,684,316,879	900,000,000	47,248,501,578	19,909,154,200	-	78,725,074,005
Transactions with equity holders, recorded directly in equity								
Distributions to equity holders								
Dividends	31	-	-	-	(11,228,876,685)	-	-	(11,228,876,685)
Total transactions with equity holders, recorded directly in equity		-	-	-	(11,228,876,685)	-	-	(11,228,876,685)
Comprehensive income for the year								
Profit		-	-	-	14,297,963,140	-	-	14,297,963,140
Other comprehensive income		-	-	-	48,898,961	-	(4,698,469,364)	(4,649,570,403)
Total comprehensive income for the year		-	-	-	14,346,862,101	-	(4,698,469,364)	9,648,392,737
Interest payment on perpetual subordinated debentures	22	-	-	-	(1,002,739,727)	-	-	(1,002,739,727)
Transfer to initial carrying amount of hedged item	10	-	-	-	-	-	4,698,469,364	4,698,469,364
Balance at 31 December 2020		8,983,101,348	1,684,316,879	900,000,000	49,363,747,267	19,909,154,200	-	80,840,319,694

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

Statement of changes in equity

CP ALL Public Company Limited and its Subsidiaries

	Separate financial statements					Total equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Perpetual subordinated debentures	
			Legal reserve	Unappropriated (in Baht)		
For the year ended 31 December 2019						
Balance at 1 January 2019	8,983,101,348	1,684,316,879	900,000,000	40,543,715,538	19,909,154,200	72,020,287,965
Transactions with equity holders, recorded directly in equity						
Distributions to equity holders						
Dividends	-	-	-	(10,779,721,617)	-	(10,779,721,617)
Total transactions with equity holders, recorded directly in equity	-	-	-	(10,779,721,617)	-	(10,779,721,617)
Comprehensive income for the year						
Profit	-	-	-	20,180,101,849	-	20,180,101,849
Other comprehensive income	-	-	-	(262,068,112)	-	(262,068,112)
Total comprehensive income for the year	-	-	-	19,918,033,737	-	19,918,033,737
Interest payment on perpetual subordinated debentures	-	-	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2019	8,983,101,348	1,684,316,879	900,000,000	48,682,027,658	19,909,154,200	80,158,600,085

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

Statement of cash flows

CP ALL Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Cash flows from operating activities					
Profit for the year		16,502,872,560	22,694,114,528	14,297,963,140	20,180,101,849
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation of property, plant and equipment	13, 27	10,892,144,839	10,165,615,978	6,754,924,481	6,091,390,572
Depreciation of right-of-use assets	14, 27	9,003,221,459	-	7,808,152,359	-
Amortisation of leasehold rights	27	-	307,593,309	-	111,585,757
Amortisation of intangible assets					
other than goodwill	16, 27	754,584,359	746,640,675	288,737,371	252,834,673
Interest income		(156,535,609)	(294,467,357)	(337,590,810)	(481,282,052)
Dividend income		(299,638)	(256,406)	(6,768,016,930)	(6,571,094,577)
Finance costs	28	8,525,992,023	6,720,979,703	7,822,083,157	6,326,018,579
Income tax expense	29	2,759,491,185	4,069,742,965	295,026,227	1,816,992,522
Provisions for employee benefits	20	419,535,305	1,193,356,151	214,921,920	680,916,428
Loss (reversal of allowance for loss)					
on decline in value of inventories	9	113,523,020	(21,987,739)	54,366,821	126,428
Impairment for loss on					
other long-term investment		-	411,582	-	-
Loss (reversal of impairment for loss)					
of property, plant and equipment	13	39,000	(3,665,000)	-	-
Impairment for loss on intangible assets					
other than goodwill	16	-	7,470,000	-	-
Impairment for loss on trade accounts					
receivable and other receivables					
(2019: <i>Bad and doubtful debts expense</i>)		49,178,294	32,879,745	6,150,719	9,567,750
Unrealised (gain) loss on exchange		(59,462,879)	2,270,791	(43,331,879)	-
Share of loss of associate accounted					
for using equity method		63,415,210	-	-	-
Loss on disposal and write-off of					
property, plant and equipment		139,295,729	157,066,981	126,454,907	145,773,791
Gain on disposal and write-off of					
right-of-use assets		(163,646,378)	-	(158,498,343)	-

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

Statement of cash flows (continued)

CP ALL Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		<i>(in Baht)</i>			
Gain on disposal of leasehold rights		-	(9,527,988)	-	(9,527,988)
(Gain) loss on write-off of intangible assets other than goodwill		(866,887)	88,693	29,227	39,172
Differences on a granted rent concession	5	33,423,507	-	33,423,507	-
		48,875,905,099	45,768,326,611	30,394,795,874	28,553,442,904
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		19,755,740	300,160,272	(135,635,472)	(50,571,464)
Other receivables		624,256,385	(535,503,753)	119,921,007	(252,333,847)
Inventories		(324,450,123)	(1,945,814,769)	(477,561,322)	(1,225,082,503)
Derivatives assets		(513,478)	-	-	-
Other current assets		77,504,361	83,190,631	89,312,667	29,909,870
Other non-current assets		(188,107,194)	(57,048,843)	(52,844,075)	(64,369,881)
Trade accounts payable		(5,770,446,931)	(224,887,084)	(4,839,130,562)	(110,869,624)
Other payables		(408,888,103)	718,978,487	(2,312,293,727)	(1,136,518,862)
Contract liabilities		163,632,790	341,195,127	-	-
Derivatives liabilities		886,245	-	-	-
Other current liabilities		59,442,137	(13,730,790)	2,930,031	(34,591,822)
Provisions for employee benefits paid	20	(127,100,290)	(262,382,079)	(60,060,642)	(175,049,824)
Transferred in of provisions for employee benefits	20	898,000	752,000	599,710	10,774,470
Accrued guarantee deposits		(292,515,390)	210,010,671	(236,984,585)	224,668,910
Other non-current liabilities		(2,572,277)	304,075,414	-	65,855,986
Net cash generated from operating		42,707,686,971	44,687,321,895	22,493,048,904	25,835,264,313
Income tax paid		(3,559,342,664)	(4,210,463,000)	(1,102,964,540)	(1,987,065,581)
Net cash from operating activities		39,148,344,307	40,476,858,895	21,390,084,364	23,848,198,732
<i>Cash flows from investing activities</i>					
Interest received		163,033,150	290,846,720	323,054,882	500,712,650
Dividends received		299,638	256,406	6,768,016,930	6,571,094,577
Acquisition of current investments	8	(110,000,000)	(765,619,494)	-	-
Proceeds from sale of current investments	8	730,928,072	1,571,485,959	-	-

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

Statement of cash flows (continued)

CP ALL Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in Baht)</i>			
Cash outflow on short-term loans to subsidiaries	6	-	-	(233,000,000)	(1,366,500,000)
Proceeds from repayment of short-term loans to subsidiaries	6	-	-	849,500,000	1,100,000,000
Cash outflow on investments in subsidiaries	11	-	-	(1,482,964,969)	(1,128,780,000)
Cash outflow on investment in associate	10	(80,936,378,427)	-	(80,936,378,427)	-
Acquisition of other long-term investments		-	(1,464,900)	-	-
Acquisition of property, plant and equipment	34	(15,387,288,294)	(16,837,129,878)	(11,768,949,845)	(10,184,285,400)
Proceeds from sale of property, plant and equipment		124,774,445	208,558,347	81,144,629	169,718,937
Acquisition of right-of-use assets		(981,966,880)	-	(787,396,460)	-
Proceeds from sale of right-of-use assets		11,678,340	-	11,678,340	-
Acquisition of leasehold rights		-	(212,597,787)	-	(91,155,298)
Proceeds from sale of leasehold rights		-	14,102,021	-	14,102,021
Acquisition of intangible assets other than goodwill	34	(1,019,581,858)	(851,997,693)	(592,038,416)	(451,189,174)
Net cash used in investing activities		(97,404,501,814)	(16,583,560,299)	(87,767,333,336)	(4,866,281,687)
Cash flows from financing activities					
Interest paid		(6,940,880,759)	(6,676,471,771)	(6,620,422,207)	(6,335,710,937)
Interest paid on perpetual subordinated debentures	22	(1,002,739,727)	(1,000,000,000)	(1,002,739,727)	(1,000,000,000)
Dividends paid to equity holders of the Company	31	(11,228,970,516)	(10,780,327,816)	(11,228,970,516)	(10,780,327,816)
Dividends paid to non-controlling interests		(318,820,902)	(318,822,351)	-	-
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liabilities relating to a finance lease)	17	(8,525,569,966)	(124,355,917)	(7,316,678,298)	-
(Decreases) increases in short-term borrowings from financial institutions	17	(2,279,128,843)	(235,105,998)	(2,500,000,000)	2,500,000,000

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

Statement of cash flows (continued)

CP ALL Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Proceeds from short-term borrowings					
from subsidiary	6	-	-	300,000,000	700,000,000
Repayment of short-term borrowings					
from subsidiary	6	-	-	(1,000,000,000)	-
Proceeds from short-term borrowings					
from other parties	17	-	14,902,848	-	-
Repayment of short-term borrowings					
from other parties	17	(8,762,236)	-	-	-
Proceeds from issue of debentures	17	32,467,500,000	15,000,000,000	32,467,500,000	15,000,000,000
Repayment of debentures	17	(12,289,800,000)	(22,994,300,000)	(12,289,800,000)	(22,994,300,000)
Proceeds from long-term borrowings					
from financial institutions	17	79,244,880,351	3,068,331	79,244,383,449	-
Repayment of long-term borrowings					
from financial institutions	17	(255,785,125)	(86,993,805)	-	-
Proceeds from called for paid-up					
share capital from subsidiaries		110,223,120	47,850,030	-	-
Payment of changes in ownership interests					
in subsidiaries without a change in control	11	(12,661,600)	(788,050,764)	-	(788,050,764)
Net cash from (used in) financing activities		68,959,483,797	(27,938,607,213)	70,053,272,701	(23,698,389,517)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		10,703,326,290	(4,045,308,617)	3,676,023,729	(4,716,472,472)
Effect of exchange rate changes on cash and cash equivalents		25,242,214	(117,287,519)	6,237,019	-
Net increase (decrease) in cash and cash equivalents		10,728,568,504	(4,162,596,136)	3,682,260,748	(4,716,472,472)
Cash and cash equivalents at 1 January		29,860,512,542	34,023,108,678	17,895,285,548	22,611,758,020
Cash and cash equivalents at 31 December	7	40,589,081,046	29,860,512,542	21,577,546,296	17,895,285,548

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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 2021.

1 General information

CP ALL Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 14 October 2003. The company has its registered office at 313 C.P. Tower, 24th Floor, Silom Road, Kwang Silom, Khet Bangrak, Bangkok 10500, Thailand.

The major shareholder of the Company and its subsidiaries (together referred to as the “Group”) during the financial year was Charoen Pokphand Group of companies.

The principal businesses of the Group are operating convenience stores, 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 2020 was 12,432 stores (2019: 11,712 stores).

	2020	2019
	(number of stores)	
The Company owns and manages convenience stores	5,685	5,215
The Company franchises the license to other retailers		
- under management agreements	5,919	5,687
- under sub-license agreements	828	810
Total	12,432	11,712

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 11 to the financial statements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

In addition, the Federation of Accounting Professions has issued a number of revised TFRS which are effective for annual financial periods beginning on or after 1 January 2021. The Group has not early adopted these standards in preparing these financial statements. The Group assessed the potential impact on the financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application. Those revised TFRS that are relevant to the Group's operations are disclosed in note 37 to the financial statements.

(b) *Functional and presentation currency*

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

(c) *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 the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

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

Note 4(k) and 24 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees; and

Note 5 Impact of COVID-19 pandemic.

(ii) Assumptions and estimation uncertainties

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

Note 4(k) Determining the incremental borrowing rate to measure lease liabilities;

Note 5 Impact of COVID-19 pandemic;

Notes 15 and 16 Impairment test of goodwill and other intangible assets: key assumptions underlying recoverable amounts;

Note 20 Measurement of defined benefit obligations: key actuarial assumptions; and

Note 32 Measurement of ECL allowance for trade accounts receivable and other current receivables: key assumptions in determining the weighted-average loss rate.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

3 Changes in accounting policies

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

	Note	Consolidated financial statements		Separate financial statements
		Retained earnings	Non-controlling interests (in million Baht)	Retained earnings
At 31 December 2019 - as previously reported		65,853	14,629	48,682
<i>Increase (decrease) due to:</i>				
Adoption of TFRS - Financial instruments standards				
Classification of financial instruments	A.1	6	-	6
Impairment losses on financial assets	A.2	-	-	-
Derivatives	A.3	-	-	-
Adoption of TFRS 16 - net of tax	B	(1,417)	13	(1,439)
At 1 January 2020 - restated		64,442	14,642	47,249

A. TFRS - Financial instruments standards

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

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

A.1 Classification and measurement of financial assets and financial liabilities

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

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The following table shows classification and measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

Consolidated financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in million Baht)	Fair value through other comprehensive income	Amortised cost - net
Cash and cash equivalents	29,861	-	-	29,861
Current investments	659	-	-	659
Trade accounts receivable	1,718	-	-	1,718
Other current receivables*	7,729	-	-	7,502
Investment in related company	34	-	34	-
Other long-term investments	2	-	2	-
Other non-current receivables*	1,576	-	-	161
Total	41,579	-	36	39,901
Short-term borrowings from financial institutions	3,327	-	-	3,327
Trade accounts payable	78,550	-	-	78,550
Other payables	15,170	-	-	15,170
Contract liabilities	794	-	-	794
Short-term borrowings from other parties	14	-	-	14
Debentures	132,884	-	-	132,793
Long-term borrowings from financial institutions	8,838	-	-	8,838
Accrued guarantee deposits	3,926	-	-	3,926
Total	243,503	-	-	243,412

*At 31 December 2019, the outstanding balance of prepaid rental and service fees under the terms of lease and service agreements which were recorded in the accounts "other current receivables" and "other non-current receivables", totaling Baht 142 million and Baht 1,415 million, respectively, have been reclassified to the new account "right-of-use assets" under TFRS 16 at 1 January 2020.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in million Baht)	Fair value through other comprehensive income	Amortised cost - net
Cash and cash equivalents	17,895	-	-	17,895
Trade accounts receivable	116	-	-	116
Other current receivables**	5,174	-	-	5,059
Short-term loans to subsidiaries	6,117	-	-	6,117
Investment in related company	34	-	34	-
Other non-current receivables**	1,086	-	-	-
Total	30,422	-	34	29,187
Short-term borrowings from financial institutions	2,500	-	-	2,500
Trade accounts payable	41,332	-	-	41,332
Other payables	18,497	-	-	18,497
Short-term borrowings from subsidiary	700	-	-	700
Debentures	132,884	-	-	132,793
Accrued guarantee deposits	3,859	-	-	3,859
Total	199,772	-	-	199,681

***At 31 December 2019, the outstanding balance of prepaid rental and service fees under the terms of lease and service agreements which were recorded in the accounts "other current receivables" and "other non-current receivables", totaling Baht 30 million and Baht 1,086 million, respectively, have been reclassified to the new account "right-of-use assets" under TFRS 16 at 1 January 2020.*

The Group and Company intends to hold non-marketable equity securities amounted of Baht 36 million and Baht 34 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Impact from the classification of financial instruments	Consolidated financial statements (in million Baht)	Separate financial statements
At 1 January 2020		
Decrease in other current receivables	(85)	(85)
Decrease in debentures	91	91
Increase in retained earnings	(6)	(6)

A.2 Impairment - Financial assets

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

A.3 Derivatives

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

The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Group documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment of the effectiveness, both at inception of the hedge relationship and on an ongoing basis.

This hedging relationship is cash flow hedges.

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

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

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach. The details of accounting policy are disclosed in note 4(k) to the financial statements.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price. As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

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

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Consolidated financial statements	Separate financial statements
	(in million Baht)	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in other current receivables	(142)	(30)
Decrease in other current assets	(141)	(21)
Decrease in other non-current receivables	(1,415)	(1,086)
Decrease in property, plant and equipment	(521)	-
Increase in right-of-use assets	50,463	38,669
Decrease in leasehold rights	(3,917)	(361)
Increase in deferred tax assets	391	391
Decrease in other payables	16	-
Decrease in current portion of finance lease liabilities	92	-
Increase in lease liabilities	(47,568)	(39,199)
Decrease in finance lease liabilities	549	-
Decrease in other non-current liabilities	789	198
Decrease in retained earnings	1,417	1,439
Increase in non-controlling interests	(13)	-
	Consolidated financial statements	Separate financial statements
	(in million Baht)	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	57,027	42,768
Recognition exemption for short-term leases	(589)	(582)
Recognition exemption for leases of low-value assets	(26)	(23)
Extension and termination options reasonably certain to be exercised	52	-
Leases considered as service contracts	(90)	-
Additional leases considered as lease contracts	272	87
Impact from commitment recorded on a straight-line basis	607	-
	57,253	42,250
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	46,933	39,199
Finance lease liabilities recognised as at 31 December 2019	641	-
Exchange differences on translating financial statements	(6)	-
Lease liabilities recognised at 1 January 2020	47,568	39,199
Weighted-average incremental borrowing rate (% per annum)	2.9	2.2

Right-of-use assets and lease liabilities shown above were presented as part of convenience stores, cash and carry and other segments.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

4 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 comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate.

Business combinations

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

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

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

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.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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.

Interests in equity-accounted investee

The Group's interests in equity-accounted investee comprise interests in associate.

Associate is the entity in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any income and expenses, are eliminated in full in preparing the consolidated financial statements. Unrealised gains or losses arising from associate are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries and associate

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

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(c) *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.

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 currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge that is effective are recognised in other comprehensive income.

Foreign entities

The assets and liabilities of foreign entities 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(d) *Financial instruments*

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

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

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

(d.2) Classification and subsequent measurement

Financial assets - classification

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Financial assets - business model assessment

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

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

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

For the purposes of this assessment,

'Principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

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

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

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 4(d.6) to the financial statements for derivatives designated as hedging instruments.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
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Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss (see note 4(d.6) to the financial statements for financial liabilities designated as hedging instruments).

(d.3) Derecognition

Financial assets

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

Financial liabilities

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

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

(d.4) Offsetting

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

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.6) to the financial statements).

(d.6) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory and investment in associate, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Accounting policies applicable before 1 January 2020

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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.

Derivatives

Derivatives are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivatives are not used for trading purposes.

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts 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.

(f) Trade and other accounts receivable

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

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

An allowance for losses on decline in value of inventories 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) *Investment properties*

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

Investment properties are measured at cost less accumulated impairment losses.

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

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

(i) *Property, plant and equipment*

Recognition and measurement

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.

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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
Right-of-use asset 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.

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

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 and 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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	indefinite useful lives
Business license	3, 10 years and indefinite useful lives
Customer base and other	7, 10 and 15 years

No amortisation is provided on computer software under development.

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

(k) Leases

Accounting policies applicable from 1 January 2020

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

As a lessee

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

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

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

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

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

As a lessor

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

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

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

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

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance 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.

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

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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.

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 Group amortises the cost of leasehold rights on a straight-line basis over the periods of the lease agreements between 1 to 33 years.

(l) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents, trade accounts receivable, other current receivables and short-term loans to subsidiaries).

Measurement of ECLs

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

ECLs are measured on either of the following bases:

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

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

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

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

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due.

Write-off

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

Accounting policies applicable before 1 January 2020

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

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

Notes to the financial statements

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Reversal of impairment

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

(m) Impairment of non-financial assets

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

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

Calculation of recoverable amount

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

Reversal of impairment

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

(n) Contract liabilities

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

(o) Employee benefits

Post-employment benefit - defined contribution plans

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

Post-employment benefit - defined benefit plans

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

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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.

(p) Provisions

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

(q) Perpetual subordinated debentures

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

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CP ALL Public Company Limited and its Subsidiaries

(r) *Measurement of fair values*

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(s) *Revenues*

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

Sales of goods and rendering of services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data. Revenue from rendering of services is recognised overtime 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 consideration received are allocated based on the relative stand-alone selling price of the products, and the royalty points or discount from accumulated purchased volume. The amount allocated to the loyalty points or discount from accumulated purchased volume is recognised as contract liabilities and revenue is recognised when the customers redeem or when the likelihood of the customer redeeming becomes remote. The stand-alone selling prices of the loyalty points or discount from accumulated purchased volume is estimated based on discount provided to customers and the likelihood that the customers will redeem, and the estimate shall be reviewed at the end of the reporting period.

Commission revenue

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

(t) *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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(u) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate ("EIR")

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

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

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

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

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, 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 periods of time to be prepared for its intended use or sale.

(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.

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

(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 perpetual subordinated debentures whether it has been accrued or not by the weighted average number of ordinary shares outstanding during the year.

(x) *Related parties*

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

(y) *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.

5 Impact of COVID-19 pandemic

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

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CP ALL Public Company Limited and its Subsidiaries

At 31 December 2020, the situation of COVID-19 pandemic is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic on the followings:

(a) *Impairment of assets*

The Group considered impairment of trade accounts receivable and other current receivables under provision matrix using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, investment properties and other intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill and intangible assets with an indefinite useful life.

(b) *Lease modifications*

The Company was granted a rent concession starting from April 2020 as a result of the COVID-19 situation. The Company has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of right-of-use assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences on a granted rent concession in profit or loss for the year ended 31 December 2020, amounting to Baht 33 million in the financial statements.

(c) *Fair value measurement*

The Group elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

6 Related parties

Relationships with associate and subsidiaries are described in notes 10 and 11 to the financial statements. Relationships with key management and other related parties that the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited ("CPG")	Thailand	Shareholder of the Company, Company under CPG Group and 2 common directors
C.P. Merchandising Co., Ltd.	Thailand	Shareholder of the Company, Company under CPG Group, 1 common director and one of family member of the Company's director is a major shareholder
Charoen Pokphand Foods Public Company Limited	Thailand	Company under CPG Group and 4 common directors
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
SM True Co., Ltd.	Thailand	Company under CPG Group and 2 common directors

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Country of incorporation/ nationality	Nature of relationships
C.P. Consumer Products Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CP Land Public Company Limited	Thailand	Company under CPG Group and 1 common director
CP-Meiji Co., Ltd.	Thailand	Company under CPG Group and 1 common director
CPF (Thailand) Public Company Limited	Thailand	Company under CPG Group and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group and 1 common director
True Move H Universal Communication Co., Ltd.	Thailand	Company under CPG Group and 1 common director
Ascend Food Company Limited	Thailand	Company under CPG Group and three of family member of the Company's director are major Shareholders
EGG Digital Co., Ltd.	Thailand	Company under CPG Group and three of family member of the Company's director are major shareholders
True Leasing Co., Ltd	Thailand	Company under CPG Group and three of family member of the Company's director are major shareholders
True Money Co., Ltd.	Thailand	Company under CPG Group and three of family member of the Company's director are major shareholders
C.P. Cambodia Co., Ltd.	Cambodia	Company under CPG Group
C.P. Facility Management Company Limited	Thailand	Company under CPG Group
C.P. Packaging Industry Co., Ltd.	Thailand	Company under CPG Group
C.P. Tower Growth Leasehold Property Fund	Thailand	Company under CPG Group
C.P. Vietnam Corporation	Vietnam	Company under CPG Group
Charoen Pokphand Foods Canada Inc.	Canada	Company under CPG Group
CP B&F (Thailand) Company Limited	Thailand	Company under CPG Group
CPF Food and Beverage Company Limited	Thailand	Company under CPG Group
CPF Restaurant and Food Chain Company Limited	Thailand	Company under CPG Group
CPF Trading Co., Ltd.	Thailand	Company under CPG Group
International Pet Food Co., Ltd.	Thailand	Company under CPG Group
Real move Co., Ltd.*	Thailand	Company under CPG Group
True Digital Group Co., Ltd.	Thailand	Company under CPG Group
True Distribution and Sales Co., Ltd.	Thailand	Company under CPG Group
True E-Logistics Company Limited	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group

* The company was liquidated on 30 September 2019.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Country of incorporation/ nationality	Nature of relationships
True United Football Club Co., Ltd.	Thailand	Company under CPG Group
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is major shareholders
Dynamic Transport Company Limited	Thailand	Chearavanont family is major shareholders
Dees Supreme Co., Ltd.	Thailand	Chearavanont family is major shareholders
Thai Kodama Company Limited	Thailand	Chearavanont family is major shareholders
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director of the Group (whether executive or otherwise)

The pricing policies for particular types of transactions with related parties 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
Finance costs	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment and intangible assets other than goodwill	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	1,603	710
Interest income	-	-	275	297
Dividend income	-	-	6,768	6,571
Other income	-	-	1,666	1,547
Distribution costs	-	-	1,742	1,699
Administrative expenses	-	-	3,037	3,022
Finance costs	-	-	26	18
Purchases of goods and services	-	-	26,098	27,550
Purchases of property, plant and equipment and intangible assets other than goodwill	-	-	3,764	3,157
<i>Other related companies</i>				
Revenue from sale of goods and rendering of services	1,804	1,491	430	416
Other income	1,703	2,077	1,668	2,047
Distribution costs	193	134	-	-
Administrative expenses	1,151	992	845	777
Finance costs	8	-	-	-
Purchases of goods and services	66,034	53,592	46,990	36,389
Purchases of property, plant and equipment and intangible assets other than goodwill	23	18	-	-
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	729	884	486	649
Severance pay for employees	11	53	3	45
Total key management benefit expenses	740	937	489	694

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CP ALL Public Company Limited and its Subsidiaries

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Related companies	237	232	-	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	237	232	-	-
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-	-	-

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current				
Subsidiaries	-	-	1,312	795
Other related companies	478	839	369	703
Total	478	839	1,681	1,498
Non-current				
Subsidiary	-	-	-	74
Total	-	-	-	74
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-	-	-

Short-term loans to subsidiaries

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

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increases	Decreases	At 31 December
			<i>(in million Baht)</i>		
2020					
Subsidiaries	4.75	6,117	233	(850)	5,500
Total		6,117			5,500
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-			-
Net		6,117			5,500

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CP ALL Public Company Limited and its Subsidiaries

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increases	Decreases	At 31 December
			(in million Baht)		
2019					
Subsidiaries	4.75	5,850	1,367	(1,100)	6,117
Total		5,850			6,117
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-			-
Net		5,850			6,117

	Separate financial statements	
	2020	2019
(in million Baht)		
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-

As at 31 December 2020 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in million Baht)				
Investment in related company				
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 2020 and 2019 was denominated entirely in Thai Baht.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in million Baht)				
Other non-current assets				
Subsidiaries	-	-	207	341
Other related companies	10	-	-	-
Total	10	-	207	341

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in million Baht)				
Trade accounts payable				
Subsidiaries	-	-	2,628	2,578
Other related companies	6,406	8,059	3,545	4,524
Total	6,406	8,059	6,173	7,102

Notes to the financial statements

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<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries	-	-	8,066	10,223
Other related companies	247	222	36	57
Total	247	222	8,102	10,280

Short-term borrowing from subsidiary

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

	Interest rate	Separate financial statements			
	At 31 December <i>(% per annum)</i>	At 1 January	Increase	Decrease	At 31 December
			<i>(in million Baht)</i>		
2020					
Subsidiary	4.50	700	300	(1,000)	-
Total		700			-
2019					
Subsidiary	4.50	-	700	-	700
Total		-			700

<i>Lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Other related companies	271	-	-	-
Total	271	-	-	-

Significant agreements with related parties

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

- The Company has a service agreement with Charoen Pokphand Group Company Limited, a shareholder of the Company, covering technical advisory, management, technical assistances and right to use the trademark and services of the shareholder for a period of 1 year ending in December 2021. In consideration thereof, the Company agreed to pay a monthly service fee to the shareholder totaling Baht 1.58 million.
- The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

- (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 2022. 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 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 14.6 million, and placed guarantee deposits with the related company totaling Baht 44.5 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 March 2023.
- (g) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. (“the service provider”), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2021. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (h) The Company has a service agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to manage customer loyalty programme. In consideration thereof, the Company agreed to pay monthly service fees to the subsidiary totaling Baht 0.3 million. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to manage points for customer loyalty programme. In consideration thereof, the Company agreed to pay a monthly service fee to the subsidiary of Baht 0.3 million. The agreement is for a period of 3 years and are renewable for additional periods of 3 years. If either party has no intention to renew the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (j) The Company has service agreements with Siam Makro Public Company Limited, a local subsidiary, as well as, Makro (Cambodia) Company Limited, ARO Commercial Company Limited, Guangzhou Huadu Makro Food Supermarket Company Limited and Makro (Guangzhou) Food Company Limited, foreign subsidiaries. Under the terms of these agreements, the Company agreed to grant the right to use certain trademarks under conditions stipulated in the agreements. In consideration thereof, the subsidiaries are committed to pay a fee, calculated as a percentage of their sales, to the Company as stipulated in the agreements. These agreements are effective for periods of 1 year to 4 years, and will expire on various dates until December 2024.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

- (k) A local subsidiary (Siam Makro Public Company Limited) has lease and service agreements with CP Retailink Co., Ltd., a local subsidiary (“the party”). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 1 year and 3 years, and will expire on various dates until December 2022.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Cash on hand	10,782	10,884	9,093	8,959
Cash at financial institutions				
- current accounts	6,275	5,403	4,971	4,295
Cash at financial institutions				
- savings accounts	23,093	11,407	7,514	4,641
Highly liquid short-term investments	439	2,167	-	-
Total	40,589	29,861	21,578	17,895

8 Current investments

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Cash at financial institutions				
- time deposits	37	249	-	-
Promissory notes	-	410	-	-
Total	37	659	-	-

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	659	1,467	-	-
Increases	110	766	-	-
Decreases	(731)	(1,571)	-	-
Exchange differences on translating financial statements	(1)	(3)	-	-
At 31 December	37	659	-	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Finished goods	31,242	30,635	15,327	14,850
Work in progress	93	108	-	-
Raw materials	614	605	-	-
Goods in transit	335	612	-	-
Total	32,284	31,960	15,327	14,850
Less allowance for losses on decline in value of inventories	(535)	(422)	(220)	(166)
Net	31,749	31,538	15,107	14,684

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	
	2020	2019	2020	2019
	(in million Baht)			
Cost of inventories	407,282	422,869	216,923	240,212
Allowance (reversal of allowance) for losses on decline in value of inventories	113	(22)	54	-
Total	407,395	422,847	216,977	240,212

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 2020 amounted to Baht 2,662 million (2019: Baht 2,720 million) in the consolidated financial statements, and Baht 2,644 million (2019: Baht 2,709 million) in the separate financial statements.

10 Investment in associate

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	-	-	-	-
Increases	80,936	-	80,936	-
Transferred in from cash flow hedges reserve	4,699	-	4,699	-
Less loss relating to the investment accounted for using the equity method	(83)	-	-	-
At 31 December	85,552	-	85,635	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Details of the increases in investment in associate during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
C.P. Retail Holding Company Limited	80,936	-	80,936	-
Total	80,936	-	80,936	-

During the first quarter of 2020, the Company acquired 40% of total issued and paid-up ordinary shares of C.P. Retail Holding Company Limited (“CPRH”) which is a special purpose vehicle and owned 99.99% in C.P. Retail Development Company Limited’s (the “buyer”) share capital. This investment is to acquire shares or economic interests of up to 40% of the total issued shares in Tesco Stores (Thailand) Limited holding 99.99% of the shares in Ek-Chai Distribution System Co., Ltd. which operates retail business under Tesco Lotus brand in Thailand and Tesco Stores (Malaysia) Sdn. Bhd. which operates retail business under Tesco brand in Malaysia (together referred to as the “Tesco Asia Group”). Tesco Asia Group is an indirect associate of the Group. The buyer entered into a sale and purchase agreement dated 9 March 2020 with Tesco Holdings Limited and Tesco Holdings B.V. (together referred to as the “sellers”). Details and conditions with respect to the Tesco Asia Group investment transaction will be in accordance with the sale and purchase agreement.

CPRH was incorporated in Thailand on 6 March 2020 which had an initial authorised share capital of Baht 5 million and called for fully paid-up share capital. Subsequently on 25 March 2020, CPRH’s Board of Directors approved to increase the authorised share capital of Baht 2,500 million; from Baht 5 million to Baht 2,505 million; and to call for 25% of additional paid-up share capital of Baht 625 million; from Baht 5 million to Baht 630 million. The registrations of the increased authorised share capital and the additional paid-up share capital were completed in March 2020.

During the third quarter of 2020, CPRH called for 25% of additional paid-up share capital of Baht 625 million; from Baht 630 million to Baht 1,255 million. The additional paid-up share capital was completed in September 2020.

During the fourth quarter of 2020, CPRH called for the remaining 50% of additional paid-up share capital of Baht 1,250 million; from Baht 1,255 million to Baht 2,505 million. The additional paid-up share capital was completed in October 2020.

Later, on 17 December 2020, CPRH’s Board of Directors approved to increase the authorised share capital of Baht 196,975 million (or equivalent to United States Dollars 6,537 million) and to call for fully paid-up share capital in United States Dollar; from Baht 2,505 million to Baht 199,480 million. The registrations of the increased authorised share capital and the additional paid-up share capital were completed on the same date. The Company’s investment in CPRH was Baht 79,792 million equally to 40% of paid-up share capital. The Company also recognised related transaction costs and fair value of forward contracts at the date of acquisition of totaling Baht 1,144 million and transferred in from cash flow hedges reserve of Baht 4,699 million as a part of investment in associate. The Company’s investment in CPRH was totally of Baht 85,635 million.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Tesco Asia Group indirect investment transaction was completed on 18 December 2020. The purchase price allocation is a judgemental exercise to determine the fair value of assets acquired and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill. This resulted in recognition of goodwill of Baht 90,789 million which was recorded as a part of investment in associate accounted for using the equity method in the consolidated statement of financial position as at 31 December 2020. At the reporting date, the assessment of fair value was not yet completed. The fair value is estimated for accounting records.

Later, on 5 January 2021, Tesco Stores (Thailand) Limited's extraordinary shareholders meeting approved to change its juristic person name to "Lotus's Stores (Thailand) Co., Ltd.". The registration of changed juristic person name was completed on 7 January 2021.

CP ALL Public Company Limited and its Subsidiaries

None of the Group's associate is publicly listed and consequently does not have published price quotations.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Associate

The following table summarises the financial information of the associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	Associate 2020 (in million Baht)
Revenue	9,789
Loss from continuing operations	(158)
Other comprehensive income	(48)
Total comprehensive income (100%)	(206)
Total comprehensive income of the Group's interest (40% hold)	(83)
Group's share of total comprehensive income	(83)
Current assets	40,432
Non-current assets	131,625
Current liabilities	(162,311)
Non-current liabilities	(37,239)
Net assets (100%)	(27,493)
Group's interests in net assets of the associate at the date of acquisition (40% hold)	(10,997)
Total comprehensive income attributable to the Group	(83)
Group's interests in net assets of the associate at end of year	(11,080)
Goodwill	90,789
Related transaction costs	358
Fair value of forward contracts at the date of acquisition	786
Transferred in from cash flow hedges reserve	4,699
Carrying amount of investment in associate at 31 December	85,552

11 Investments in subsidiaries

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	-	-	199,527	197,610
Increases	-	-	1,483	1,917
At 31 December	-	-	201,010	199,527

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Details of the increases in investments in subsidiaries during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Albuera International Limited	-	-	125	-
All Corporation Limited	-	-	200	-
ALL Wellness Co., Ltd.	-	-	175	-
Lotus Distribution Investment Limited	-	-	983	1,129
Thai Smart Card Co., Ltd.	-	-	-	788
Total	-	-	1,483	1,917

Additional investment

Albuera International Limited

During the first quarter of 2020, a foreign subsidiary (Albuera International Limited) collected from the called for additional paid-up share capital of United States Dollars 3.99 million; from United States Dollar 1 to United States Dollars 4 million.

All Corporation Limited

During the third quarter of 2020, a local subsidiary (All Corporation Limited) increased its authorised share capital and collected from the called for additional paid-up share capital of Baht 200 million; from Baht 50 million to Baht 250 million.

ALL Wellness Co., Ltd.

During the third quarter of 2020, a local subsidiary (ALL Wellness Co., Ltd.) increased its authorised share capital of Baht 350 million; from Baht 1 million to Baht 351 million, and collected from the called for additional paid-up share capital of Baht 175 million; from Baht 1 million to Baht 176 million.

Lotus Distribution Investment Limited

During the second quarter of 2020, a foreign subsidiary (Lotus Distribution Investment Limited) collected from the called for additional paid-up share capital of United States Dollars 30 million; from United States Dollars 280 million to United States Dollars 310 million.

During the second quarter of 2019, a foreign subsidiary (Lotus Distribution Investment Limited) collected from the called for additional paid-up share capital of United States Dollars 36 million; from United States Dollars 244 million to United States Dollars 280 million.

Thai Smart Card Co., Ltd.

During the first quarter of 2019, the company acquired ordinary shares from shareholders totaling 30,745,600 shares equally to 19.21% of total issued and paid-up shares of a local subsidiary (Thai Smart Card Co., Ltd.) at the price of Baht 18 per share, totaling Baht 554 million in cash, increasing its ownership interest from 72.64% to 91.85%, and during the second quarter of 2019, the Company acquired ordinary shares from shareholders totaling 13,035,000 shares equally to 8.15% of total issued and paid-up shares of the subsidiary at the price of Baht 18 per share, totaling Baht 234 million in cash, increasing its ownership interest from 91.85% to 100%. The Company subsequently disposed 2 shares to two minor shareholders equally to 0.01% of total issued and paid-up shares of the subsidiary, reducing its ownership interest from 100% to 99.99%. The Group recognised a decrease in non-controlling interests of Baht 406 million and deficit from changes in ownership interest in subsidiary of Baht 382 million.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

Name of parties	Type of business	Country of operation	Separate financial statements						Dividend income for the year	
			Ownership interests (%)		Paid-up capital		At cost		2020	2019
			2020	2019	2020	2019	2020	2019	2020	2019
(in million Baht)										
Local direct subsidiaries										
Suksapiwat Co., Ltd. CPRAM Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	120	100
	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	Bill payment services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	100	100	91	91	1,100	980
All Corporation Limited 24 Shopping Co., Ltd.	Holding company	Thailand	99.99	99.99	250	50	250	50	-	-
	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	405	375
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	300	250
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	246	200

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests (%)	Separate financial statement (Continued)				Dividend income for the year	
				Paid-up capital	At cost			2020	2019
				2020	2019	2020	2019		
						(in million Baht)			
OHT Co., Ltd.	Holding company	Thailand	99.99	12	12	57,754	57,754	1,299	1,294
ALL Now Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	2	2	2	2	100	100
All Training Co., Ltd.	Training center	Thailand	99.99	1	1	1	1	150	230
ALL Wellness Co., Ltd.	Digital innovation healthcare services and consultation by medical specialists	Thailand	99.99	176	1	176	1	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	1	1	1	1	15	5
Panyatara Co., Ltd.	Training center	Thailand	99.99	1	1	1	1	30	40
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	99.99	1,600	1,600	1,939	1,939	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	1,066	1,066	55,490	55,490	1,248	1,243
Siam Makro Public Company Limited	Cash and carry	Thailand	38.07	2,400	2,400	73,203	73,203	1,755	1,754
Total				190,388	190,013	6,768	6,571		

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests		Separate financial statements <i>(Continued)</i>				Dividend income for the year	
			2020	2019	Paid-up capital		At cost		2020	2019
			(%)		2020	2019	2020	2019	2020	2019
					<i>(in million United States Dollars)</i>		<i>(in million Baht)</i>			
<i>Foreign direct subsidiaries</i>										
Lotus Distribution	Holding company	British Virgin Islands	100.00	100.00	310	280	10,497	9,514	-	-
Investment Limited										
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	4	-*	125	-*	-	-
Total							10,622	9,514	-	-
Grand total							201,010	199,527	6,768	6,571

* As at 31 December 2019 Albuera International Limited ("Albuera") had paid-up capital amounting to United States Dollar 1 and the Company invested in Albuera amounting to United States Dollar 1.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

Name of parties	Type of business	Country of operation	Ownership interests	
			2020	2019
(%)				
Local indirect subsidiaries				
ALL NOW LOGISTICS CO., LTD.	Parcel and express delivery services	Thailand	99.99	99.99
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	93.07	93.07
ProMart Co., Ltd.	Trading of non-food products	Thailand	93.07	93.07
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and providing freight, delivery rental and storage services	Thailand	93.07	93.07
ALL GUARDIAN CO., LTD.	Health and beauty products retailer	Thailand	64.99	-
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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests	
			2020	2019
(%)				
Foreign indirect subsidiaries				
CP ALL (CAMBODIA) CO., LTD.	Convenience stores	Cambodia	100.00	-
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
ALL CONVENIENCE LOGISTIC CO., LTD.	Logistics and distribution of merchandises services	Cambodia	99.99	-
CP ALL LAOS COMPANY LIMITED	Convenience stores	Laos	99.99	-
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	93.08	93.08
ARO Commercial Company Limited	Wholesale and retail operator and related business	Republic of the Union of Myanmar	93.07	93.07
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	93.07	93.07
Indoguna (Cambodia) Company Limited*	Importing and trading of food related products	Cambodia	93.07	65.15

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests 2020 2019 (%)	
Foreign indirect subsidiaries (Continued)				
CP Wholesale India Private Limited	Wholesale and related business	India	93.06	93.06
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	93.06	93.06
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related business	The People’s Republic of China	93.06	93.06
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	74.46	74.46
Indoguna Dubai L.L.C**	Importing and trading of food related products	United Arab Emirates	74.46	74.46
Indoguna Lordly Company Limited	Manufacturing, trading, importing and exporting of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	74.46	74.46
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People’s Republic of China	74.46	74.46
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C**	Restaurant and minimart	United Arab Emirates	74.46	74.46
Makro (Cambodia) Company Limited	Wholesale and retail operator and related business	Cambodia	65.15	65.15

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CP ALL Public Company Limited and its Subsidiaries

* On 8 May 2020, at the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) approved a local indirect subsidiary (Siam Food Services Limited ("SFS")), a subsidiary of 99.99% of total issued and paid-up shares owned by Siam Makro Public Company Limited, to additional invest in a foreign subsidiary (Indoguna (Cambodia) Company Limited ("INDC")) through purchasing 60,000 shares from non-controlling interests, bringing SFS's total investment in INDC's paid-up share capital to 100% and the Company's total investment in INDC's paid-up share capital to 93.07%. The purchase of shares was completed in July 2020. The Group recognised an increase in non-controlling interests of Baht 0.99 million and deficit from changes in ownership interest in subsidiary of Baht 19.98 million. SFS paid for the purchase of shares, totaling Baht 12.66 million in cash.

** The Group interest is 74.46% after taking account of nominee holdings. (2019: 74.46%)

12 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 2020		
	Siam Makro Public Company Limited	ALL GUARDIAN CO., LTD. (in million Baht)	Total
Non-controlling interests percentages	6.92	35.01	
Current assets	28,251	412	
Non-current assets	45,783	-	
Current liabilities	(40,555)	(112)	
Non-current liabilities	(10,769)	-	
Net assets	22,710	300	
Carrying amount of non-controlling interests	11,978*	105	12,083
Intra-group eliminations			-
Fair value adjustment			2,753
Total			14,836
Revenue	218,760	86	
Profit	6,524	1	
Other comprehensive income	30	-	
Total comprehensive income	6,554	1	
Profit allocated to non-controlling interests	415*	-	415
Intra-group eliminations			-
Fair value adjustment			(15)
Total			400
Other comprehensive income allocated to non-controlling interests	1*	-	1
Intra-group eliminations			-
Fair value adjustment			-
Total			1

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

31 December 2020			
	Siam Makro Public Company Limited	ALL GUARDIAN CO., LTD. (in million Baht)	Total
Cash flows from operating activities	13,353	(48)	
Cash flows from investing activities	(2,288)	-	
Cash flows from financing activities	(5,094)	300	
Dividends paid to non-controlling interests	(319)	-	
Exchange differences on translating financial statements	31	-	
Net increase in cash and cash equivalents	5,683	252	

31 December 2019	
	Siam Makro Public Company Limited (in million Baht)
Non-controlling interests percentage	6.92
Current assets	23,333
Non-current assets	39,308
Current liabilities	(32,749)
Non-current liabilities	(9,158)
Net assets	20,734
Carrying amount of non-controlling interests	11,883*
Intra-group eliminations	-
Fair value adjustment	2,746
Total	14,629
Revenue	210,627
Profit	6,185
Other comprehensive income	(147)
Total comprehensive income	6,038
Profit allocated to non-controlling interests	372*
Intra-group eliminations	1
Fair value adjustment	(22)
Total	351
Other comprehensive income allocated to non-controlling interests	(33)*
Intra-group eliminations	-
Fair value adjustment	-
Total	(33)

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CP ALL Public Company Limited and its Subsidiaries

31 December 2019

Siam Makro
Public
Company
Limited
(in million Baht)

Cash flows from operating activities	10,270
Cash flows from investing activities	(3,130)
Cash flows from financing activities	(7,083)
Dividends paid to non-controlling interests	(319)
Exchange differences on translating financial statements	(33)
Net decrease in cash and cash equivalents	(295)

* 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

13 Property, plant and equipment

Cost	Note	Land	Consolidated financial statements					Total
			Buildings, building improvements and right-of-use asset improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	
At 1 January 2019		42,857	51,551	40,960	18,521	7,940	7,993	169,822
Additions		306	345	3,288	2,785	8,969	285	15,978
Transfers		75	5,460	1,517	253	(8,446)	1,141	-
Disposals		(67)	(859)	(1,151)	(1,778)	(3)	(192)	(4,050)
Exchange differences on translating financial statements		-	(290)	(45)	(29)	(342)	(8)	(714)
At 31 December 2019		43,171	56,207	44,569	19,752	8,118	9,219	181,036
- as previously reported		-	-	(982)	(217)	-	(2)	(1,201)
Transferred to right-of-use assets	3	43,171	56,207	43,587	19,535	8,118	9,217	179,835
At 1 January 2020		48	477	4,667	2,160	7,645	276	15,273
Additions		-	4,955	1,498	218	(7,621)	950	-
Transfers		-	(451)	(1,124)	(1,507)	(16)	(123)	(3,221)
Disposals		-	-	-	-	-	-	-
Exchange differences on translating financial statements		-	185	10	16	339	3	553
At 31 December 2020		43,219	61,373	48,638	20,422	8,465	10,323	192,440

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements (Continued)

	Note	Land	Buildings, building improvements and right-of-use asset improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	Total
Accumulated depreciation and accumulated impairment losses								
At 1 January 2019		-	(17,748)	(24,907)	(11,199)	-	(4,681)	(58,535)
Depreciation charge for the year		-	(2,498)	(4,367)	(2,495)	-	(806)	(10,166)
Impairment losses, net		-	(1)	(1)	6	-	-	4
Disposals		-	681	1,111	1,713	-	180	3,685
Exchange differences on translating financial statements		-	30	15	9	-	4	58
At 31 December 2019		-	(19,536)	(28,149)	(11,966)	-	(5,303)	(64,954)
- as previously reported	3	-	-	499	180	-	1	680
Transferred to right-of-use assets		-	(19,536)	(27,650)	(11,786)	-	(5,302)	(64,274)
At 1 January 2020		-	(2,676)	(4,696)	(2,589)	-	(931)	(10,892)
Depreciation charge for the year		-	(3)	2	1	-	-	-
Impairment losses, net		-	304	1,079	1,466	-	107	2,956
Disposals		-	-	-	-	-	-	-
Exchange differences on translating financial statements		-	(23)	(3)	(5)	-	-	(31)
At 31 December 2020		-	(21,934)	(31,268)	(12,913)	-	(6,126)	(72,241)

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements (Continued)

	Note	Land	Buildings, building improvements and right-of-use asset improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	Total
<i>Net book value</i>								
At 1 January 2019		42,857	33,803	16,053	7,322	7,940	3,312	111,287
At 31 December 2019		43,171	36,671	16,420	7,786	8,118	3,916	116,082
- as previously reported		43,171	36,671	15,937	7,749	8,118	3,915	115,561
At 1 January 2020		43,219	39,439	17,370	7,509	8,465	4,197	120,199
At 31 December 2020								

Security

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements

	Land	Buildings, building improvements and right-of-use asset improvements (2019: leasehold improvements)	Machinery and equipment	Furniture, fixtures and office equipment (in million Baht)	Assets under construction and installation	Other	Total
Cost							
At 1 January 2019	3,921	22,586	14,449	15,819	1,489	6,557	64,821
Additions	237	142	1,995	2,739	5,200	206	10,519
Transfers	-	3,712	76	165	(4,748)	795	-
Disposals	(67)	(825)	(706)	(1,608)	-	(156)	(3,362)
At 31 December 2019 and 1 January 2020	4,091	25,615	15,814	17,115	1,941	7,402	71,978
Additions	47	121	3,355	2,670	4,531	211	10,935
Transfers	-	3,563	57	51	(4,319)	648	-
Disposals	-	(402)	(697)	(1,193)	-	(100)	(2,392)
At 31 December 2020	4,138	28,897	18,529	18,643	2,153	8,161	80,521
Accumulated depreciation and accumulated impairment losses							
At 1 January 2019	-	(9,361)	(9,842)	(10,569)	-	(4,065)	(33,837)
Depreciation charge for the year	-	(1,500)	(1,778)	(2,130)	-	(683)	(6,091)
Disposals	-	665	689	1,548	-	144	3,046
At 31 December 2019 and 1 January 2020	-	(10,196)	(10,931)	(11,151)	-	(4,604)	(36,882)
Depreciation charge for the year	-	(1,596)	(2,011)	(2,362)	-	(786)	(6,755)
Disposals	-	267	676	1,156	-	86	2,185
At 31 December 2020	-	(11,525)	(12,266)	(12,357)	-	(5,304)	(41,452)

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements (Continued)

	Land	Buildings, building improvements and right-of-use asset improvements (2019: <i>leasehold improvements</i>)	Machinery and equipment	Furniture, fixtures and office equipment (<i>in million Baht</i>)	Assets under construction and installation	Other	Total
<i>Net book value</i>							
At 1 January 2019	3,921	13,225	4,607	5,250	1,489	2,492	30,984
At 31 December 2019 and 1 January 2020	4,091	15,419	4,883	5,964	1,941	2,798	35,096
At 31 December 2020	4,138	17,372	6,263	6,286	2,153	2,857	39,069

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2020 amounted to Baht 28,884 million (2019: Baht 26,734 million) in the consolidated financial statements and Baht 16,493 million (2019: Baht 15,883 million) in the separate financial statements respectively.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

14 Right-of-use assets

		Consolidated financial statements (in million Baht)				
		Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Total
Note						
Cost						
At 1 January 2020	3	18,179	31,122	927	46	50,463
Additions		4,705	8,402	502	23	13,893
Disposals		(427)	(1,971)	(14)	(11)	(2,451)
Exchange differences on translating financial statements		68	1	-	-	69
At 31 December 2020		22,525	37,554	1,415	58	61,974
Accumulated depreciation						
At 1 January 2020	3	-	-	-	-	-
Depreciation charge for the year*		(1,902)	(7,115)	(191)	(21)	(9,340)
Disposals		34	197	11	10	267
Exchange differences on translating financial statements		(3)	1	-	-	(2)
At 31 December 2020		(1,871)	(6,917)	(180)	(11)	(9,075)
Net book value						
At 1 January 2020	3	18,179	31,122	927	46	50,463
At 31 December 2020		20,654	30,637	1,235	47	52,899

*The Company was granted a rent concession as a result of the COVID-19 situation. The Company has reversed depreciation of right-of-use assets in proportion to the reduced rental in the consolidated statements of income for the year ended 31 December 2020, amounting to Baht 337 million in the financial statements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

		Separate financial statements		
	Note	Land	Buildings (in million Baht)	Total
<i>Cost</i>				
At 1 January 2020	3	10,481	28,188	38,669
Additions		4,400	8,224	12,624
Disposals		(428)	(1,932)	(2,360)
At 31 December 2020		14,453	34,480	48,933
<i>Accumulated depreciation</i>				
At 1 January 2020	3	-	-	-
Depreciation charge for the year*		(1,528)	(6,617)	(8,145)
Disposals		34	189	223
At 31 December 2020		(1,494)	(6,428)	(7,922)
<i>Net book value</i>				
At 1 January 2020	3	10,481	28,188	38,669
At 31 December 2020		12,959	28,052	41,011

*The Company was granted a rent concession as a result of the COVID-19 situation. The Company has reversed depreciation of right-of-use assets in proportion to the reduced rental in the separate statements of income for the year ended 31 December 2020, amounting to Baht 337 million in the financial statements.

15 Goodwill

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 31 December				
Cost	128,096	128,096	-	-
Less impairment loss	-	-	-	-
Net book value	128,096	128,096	-	-

Most of the Goodwill arose from the Company's purchase of shares of Siam Makro Public Company Limited both directly and indirectly, and arose from Siam Makro Public Company Limited's purchase of shares at 80% shareholding each of 4 companies, namely Indoguna (Singapore) Pte Ltd, Indoguna Dubai L.L.C, Just Meat Company Limited and Indoguna Lordly Company Limited (together referred to as "Indoguna Group of companies").

Cash-generating units ("CGUs") containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Siam Makro Public Company Limited	125,936	125,936	-	-
Indoguna Group of companies	2,023	2,023	-	-
Other	137	137	-	-
Total	128,096	128,096	-	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

The recoverable amount was measured on its value in use, determined by discounting future cash flows to be generated from the going concern of Siam Makro Public Company Limited and of Indoguna Group of companies.

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

Discount rate

The discount rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of 10-year government bond, market risk premium and average industry beta.

Terminal value growth rate

Terminal value growth rate was determined based on average gross domestic product ("GDP") growth rate, inflation rates and growth rates of historical earnings before interest, income tax, depreciation and amortisation ("EBITDA") of Siam Makro Public Company Limited, and of Indoguna Group of companies.

Budgeted EBITDA growth rate

Budgeted EBITDA growth rate 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 estimate number of new stores, sale growth of new stores and sale growth of same stores of Siam Makro Public Company Limited. Indoguna Group of companies would develop and maintain their customer satisfaction by rendering high quality products, new product development, and maintenance customer relationship.

Management has identified that a reasonably possible change in three key assumptions, discount rate, terminal value growth rate and budgeted EBITDA growth rate, which in 2020 if discount rate increases by 0.4% (2019: 1.5%) or terminal value growth rate decreases by 0.7% (2019: 3.3%) or budgeted EBITDA growth rate decreases by 1.2% (2019: 5.3%) could cause the recoverable amount to be equal to the carrying amount.

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

16 Intangible assets other than goodwill

	Consolidated financial statements			
	Computer software in use and under development	Intellectual property (in million Baht)	Other	Total
Cost				
At 1 January 2019	6,242	46,521	2,182	54,945
Additions	799	-	-	799
Transfers	(3)	-	3	-
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	(15)	-	(84)	(99)
At 31 December 2019 and 1 January 2020	7,022	46,521	2,101	55,644
Additions	974	-	35	1,009
Transfers	(2)	-	2	-
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	7	-	61	68
At 31 December 2020	8,000	46,521	2,199	56,720
Accumulated amortisation and accumulated impairment losses				
At 1 January 2019	(2,603)	-	(907)	(3,510)
Amortisation charge for the year	(579)	-	(168)	(747)
Impairment losses	(7)	-	-	(7)
Disposals	1	-	-	1
Exchange differences on translating financial statements	3	-	-	3
At 31 December 2019 and 1 January 2020	(3,185)	-	(1,075)	(4,260)
Amortisation charge for the year	(666)	-	(88)	(754)
Disposals	(1)	-	-	(1)
Exchange differences on translating financial statements	1	-	-	1
At 31 December 2020	(3,851)	-	(1,163)	(5,014)
Net book value				
At 1 January 2019	3,639	46,521	1,275	51,435
At 31 December 2019 and 1 January 2020	3,837	46,521	1,026	51,384
At 31 December 2020	4,149	46,521	1,036	51,706

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Separate Financial statements
	Computer software in use and under development (in million Baht)
Cost	
At 1 January 2019	2,802
Additions	548
At 31 December 2019 and 1 January 2020	3,350
Additions	574
At 31 December 2020	3,924
Accumulated amortisation	
At 1 January 2019	(1,408)
Amortisation charge for the year	(253)
At 31 December 2019 and 1 January 2020	(1,661)
Amortisation charge for the year	(289)
At 31 December 2020	(1,950)
Net book value	
At 1 January 2019	1,394
At 31 December 2019 and 1 January 2020	1,689
At 31 December 2020	1,974

The gross amount of the Group's and the Company's fully amortised intangible assets other than goodwill that were still in use as at 31 December 2020 amounted to Baht 2,204 million (2019: Baht 2,111 million) in the consolidated financial statements and Baht 1,505 million (2019: Baht 1,481 million) in the separate financial statements respectively.

17 Interest-bearing liabilities

	Consolidated financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in million Baht)					
Short-term borrowings from financial institutions						
Promissory notes	-	-	-	-	171	171
Bills of exchange	-	480	480	-	-	-
Liabilities under trust receipts	-	526	526	-	607	607
Short-term borrowings	-	45	45	-	2,549	2,549
Short-term borrowings from other parties	-	6	6	-	14	14
Debentures	57,966	95,030	152,996	68,785	64,099	132,884
Long-term borrowings from financial institutions	1,712	86,620	88,332	1,838	7,000	8,838
Lease liabilities (2019: finance lease liabilities)	-	50,583	50,583	-	641	641
Total interest-bearing liabilities	59,678	233,290	292,968	70,623	75,081	145,704

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Note	Separate financial statements					
		Secured	2020 Unsecured	Total (in million Baht)	Secured	2019 Unsecured	Total
Short-term borrowings from financial institutions		-	-	-	-	2,500	2,500
Short-term borrowing from subsidiary	6	-	-	-	-	700	700
Debentures		57,966	95,030	152,996	68,785	64,099	132,884
Long-term borrowings from financial institutions		-	79,620	79,620	-	-	-
Lease liabilities (2019: finance lease liabilities)		-	42,018	42,018	-	-	-
Total interest-bearing liabilities		57,966	216,668	274,634	68,785	67,299	136,084

Unutilised credit facilities

As at 31 December 2020 the Group had unutilised credit facilities totaling Baht 882 million and Singapore Dollar 0.5 million (2019: Baht 882 million and Singapore Dollar 0.5 million).

Short-term borrowings from financial institutions

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	3,327	3,583	2,500	-
(Decreases) increases	(2,279)	(235)	(2,500)	2,500
Exchange differences on translating financial statements	2	(21)	-	-
At 31 December	1,050	3,327	-	2,500

Short-term borrowings from other parties

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
At 1 January	14	-	-	-
(Decreases) increases	(9)	15	-	-
Exchange differences on translating financial statements	1	(1)	-	-
At 31 December	6	14	-	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Debentures

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

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Brought forward balance					
- as previously reported		132,884	140,878	132,884	140,878
Impact of changes in accounting policies	3	(91)	-	(91)	-
At 1 January		132,793	140,878	132,793	140,878
Increases, net of bond issuance cost		32,468	15,000	32,468	15,000
Decreases		(12,290)	(22,994)	(12,290)	(22,994)
Interest paid calculated using effective interest rate method		25	-	25	-
At 31 December		152,996	132,884	152,996	132,884

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013. Outstanding balance as at 31 December 2020 was as follows:

- 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

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014. Outstanding balances as at 31 December 2020 were as follows:

- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021 and 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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 22 August 2014. Outstanding balances as at 31 December 2020 were as follows:

- 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.)

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 December 2014. Outstanding balance as at 31 December 2020 was as follows:

- 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

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 30 June 2015. Outstanding balances as at 31 December 2020 were as follows:

- 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

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 March 2016. Outstanding balances as at 31 December 2020 were as follows:

- 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

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CP ALL Public Company Limited and its Subsidiaries

- 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

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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 August 2016. Outstanding balances as at 31 December 2020 were as follows:

- 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

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 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 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. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 15 November 2017 and 30 November 2017. Outstanding balances as at 31 December 2020 were as follows:

- 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

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- 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

Debentures 1/2019

On 18 January 2019 the Company issued Baht 15,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 January 2019. Outstanding balances as at 31 December 2020 were as follows:

- Debentures term of 3 years of Baht 5,000 million, fully repayable on 18 January 2022 and bearing interest at the fixed rate of 2.86% per annum
- Debentures term of 8 years of Baht 2,466 million, fully repayable on 18 January 2027 and bearing interest at the fixed rate of 3.95% per annum
- Debentures term of 10 years of Baht 1,920 million, fully repayable on 18 January 2029 and bearing interest at the fixed rate of 4.12% per annum
- Debentures term of 12 years of Baht 5,614 million, fully repayable on 18 January 2031 and bearing interest at the fixed rate of 4.40% per annum

Debentures 1/2020

On 13 May 2020 the Company issued Baht 7,500 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 13 May 2020. Outstanding balances as at 31 December 2020 were as follows:

- Debentures term of 7 years of Baht 1,699 million, fully repayable on 13 May 2027 and bearing interest at the fixed rate of 2.90% per annum
- Debentures term of 10 years of Baht 2,169 million, fully repayable on 13 May 2030 and bearing interest at the fixed rate of 3.29% per annum
- Debentures term of 12 years of Baht 3,632 million, fully repayable on 13 May 2032 and bearing interest at the fixed rate of 3.59% per annum

Debentures 2/2020

On 29 September 2020 the Company issued Baht 25,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures and/or for working capital. These series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 29 September 2020. Outstanding balances as at 31 December 2020 were as follows:

- Debentures term of 2 years 5 months 17 days of Baht 6,000 million, fully repayable on 18 March 2023 and bearing interest at the fixed rate of 1.90% per annum

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

- Debentures term of 4 years 9 months 1 day of Baht 13,200 million, fully repayable on 30 June 2025 and bearing interest at the fixed rate of 3.00% per annum
- Debentures term of 9 years 7 months 14 days of Baht 2,350 million, fully repayable on 13 May 2030 and bearing interest at the fixed rate of 3.40% per annum
- Debentures term of 15 years of Baht 3,450 million, fully repayable on 29 September 2035 and bearing interest at the fixed rate of 3.90% per annum

All series of debentures have a credit rating of “A-(tha)” latest updated by Fitch Ratings (Thailand) Limited on 3 February 2021.

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 2020, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 1,488 million shares. The fair value of those shares totaled Baht 58,768 million.

Long-term borrowings from financial institutions

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	8,838	9,104	-	-
Increases	79,244	3	79,244	-
Decreases	(256)	(87)	-	-
Interest paid calculated using effective interest rate method	101	-	101	-
Unrealised loss on exchange rates from translation of outstanding foreign borrowings balance to Thai Baht	275	-	275	-
Exchange differences on translating financial statements	130	(182)	-	-
At 31 December	88,332	8,838	79,620	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

As at 31 December 2020 the Group had unsecured long-term borrowings agreements with a local branch of foreign financial institution and local and foreign financial institutions, and had a secured long-term borrowings agreement with a foreign financial institution. Details are as follows:

Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	Baht 3,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2021*
The second agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in September 2021
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022
The fifth agreement	China Renminbi 450 million (or equivalent to approximately Baht 2,078 million)	Floating interest rate as stipulated in the agreement	Semi-annually installment due to May 2026
The sixth agreement	United States Dollars 3,200 million (or equivalent to approximately Baht 96,662 million)	Floating interest rate as stipulated in the agreement	Entire principal of borrowing in June 2022

* The long-term borrowing from financial institution totaling Baht 3,000 million were fully repaid in January 2021.

In this regard, certain foreign subsidiaries issued the letters of guarantee for the fifth long-term borrowing agreement.

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Lease liabilities (2019: finance lease liabilities)

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Brought forward balance					
- as previously reported		641	698	-	-
Impact of changes in accounting policies	3	46,927	-	39,199	-
At 1 January		47,568	698	39,199	-
Purchase of assets under lease liabilities (2019: <i>finance lease</i>)		12,914	14	11,837	-
Payment of lease liabilities (2019: <i>payment for reduction of the outstanding liabilities relating to finance leases</i>)		(8,526)	(124)	(7,317)	-
Write-off		(2,348)	-	(2,284)	-
Finance costs under lease (2019: <i>finance lease</i>)	28	1,272	53	886	-
Net impact from a granted rent concession		(303)*	-	(303)*	-
Exchange differences on translating financial statements		6	-	-	-
As at 31 December		50,583	641	42,018	-

* The Company was granted a rent concession as a result of the COVID-19 situation. The Company has deducted lease liabilities and reversed financial costs under lease in proportion to the reduced rental in the consolidated and separate financial statements for the year ended 31 December 2020, amounting to Baht 349 million and Baht 46 million, respectively.

18 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Related parties	6	6,406	8,059	6,173	7,102
Other parties		66,372	70,491	30,320	34,230
Total		72,778	78,550	36,493	41,332

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

19 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Related parties	6	247	222	8,102	10,280
Other parties					
Other payables		3,611	4,203	1,410	1,924
Accrued personnel expenses		1,905	2,829	444	1,322
Accrued royalties and other accrued expenses		2,880	2,128	1,220	918
Deferred royalties and other deferred income		2,236	2,040	1,326	1,198
Accrued interest expenses		1,648	1,461	1,589	1,400
Accrued utilities expenses		861	838	631	617
Accrued advertising and sale promotion expenses		289	354	149	227
Accrued rental fees		176	151	169	141
Other		947	944	481	470
		14,553	14,948	7,419	8,217
Total		14,800	15,170	15,521	18,497

20 Provisions for employee benefits

Defined benefit plans

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

Pension fund benefit

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

Severance benefit

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

Additional benefit related to provident fund

A local subsidiary operates an employee benefit scheme under which employees who are members of the subsidiary's provident fund, being a defined contribution plan, for at least 9 years are entitled to receive additional contribution from the subsidiary on their resignation or retirement from employment with the subsidiary. Employees, who are a member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the subsidiary on their behalf.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk and turnover rate risk.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	4,843	3,368	2,772	1,928
Included in profit or loss:				
Current service costs	350	287	176	138
Past service costs	-	809	-	489
Interest on obligation	69	97	39	54
	<u>419</u>	<u>1,193</u>	<u>215</u>	<u>681</u>
Included in other comprehensive income:				
Actuarial (gain) loss				
- Financial assumptions	(342)	529	(266)	325
- Experience adjustment	291	16	205	3
	<u>(51)</u>	<u>545</u>	<u>(61)</u>	<u>328</u>
Other				
Benefits paid by the plan	(127)	(262)	(60)	(175)
Transfer in provisions for employee benefits from subsidiaries and related companies	1	1	-	10
Exchange differences on translating financial statements	-	(2)	-	-
At 31 December	<u>5,085</u>	<u>4,843</u>	<u>2,866</u>	<u>2,772</u>

Principal actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.30 - 1.70	1.60 - 1.70	1.60	1.60
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	4.0 - 5.0	4.0 - 7.0	4.0 - 4.5	5.0 - 5.5
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 2020, the weighted-average duration of the defined benefit obligations were 8 to 15 years (2019: 9 to 16 years).

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			

At 31 December

Discount rate	(406)	(439)	466	473
Future salary growth	429	449	(380)	(398)
Employee turnover	(415)	(432)	442	467

	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			

At 31 December

Discount rate	(240)	(267)	279	288
Future salary growth	265	282	(234)	(247)
Employee turnover	(257)	(275)	295	318

21 Share premium and reserves

Share premium

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Deficit from changes in ownership interest in subsidiary

Deficit from changes in ownership interest in subsidiary recognised in equity relate to difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid.

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 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 2020 and 2019 was higher than 10% of the registered authorised capital.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Other components of equity

Translation reserve

Translation reserve recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign entities to Thai Baht.

Cash flow hedges reserve

The cash flow hedges reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

22 Perpetual subordinated debentures

On 30 November 2016 and 22 August 2017 the Company issued unsecured, unconvertible and perpetual subordinated debentures in registered name form (“Debentures”) of Baht 10,000 million (debentures no. 1/2016) and Baht 10,000 million (debentures no. 1/2017), respectively, which are payable upon dissolution of the Company or upon the exercise of the Company’s early redemption right per condition as stipulated in the terms and conditions of debentures. 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, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2020 and 2019 (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).

As at 31 December 2020, the Company has not deferred any interest payments to the perpetual subordinated debentures holders. Cumulative interest for the year ended 31 December 2020 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 1,003 million (2019: Baht 1,000 million). During the year of 2020, the Company paid interest expenses on perpetual subordinated debentures to the holders of Baht 1,003 million (2019: Baht 1,000 million).

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

As at 31 December 2020, the Company classified perpetual subordinated debentures as a part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation*, which became effective for annual financial reporting periods beginning on or after 1 January 2020, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions announced the Federation of Accounting Professions Announcement dated 3 December 2019 regarding *additional transition for classification of perpetual debentures* as an additional guideline during transition period, which the Company applied this announcement. If, as at 31 December 2020, the Company classified the perpetual subordinated debentures as financial liability, total liabilities and equity of the Company will increase and decrease by Baht 19,909 million.

23 Segment information and disaggregation of revenue

Revenue

The Company's main operation is derived from sale of goods from convenience stores. The Group's main operations are derived from sale of goods from convenience stores and cash and carry, and rendering of services related to these operations.

Segment information

Management determined that the Group has 3 reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

Segment 1: Convenience stores
 Segment 2: Cash and carry
 Segment 3: Other

Other segments 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.

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.

Each segment's performance is measured based on segment profit before income tax expense, as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment profit before income tax expense is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Disaggregation of revenues, timing of revenue recognition and results, based on segments, in the consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

For the year ended 31 December

Types of revenues

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from sale of goods	299,437	332,734	214,140	206,180	33,261	33,328	(30,531)	(30,786)	516,307	541,456
Revenue from rendering of services	1,268	1,327	3,757	3,592	11,905	10,900	(7,353)	(6,374)	9,577	9,445
Revenue from sale of goods and rendering of services to external customers	300,705	334,061	217,897	209,772	45,166	44,228	(37,884)	(37,160)	525,884	550,901
Total revenues	328,530	361,034	218,762	210,629	46,350	45,403	(47,052)	(45,956)	546,590	571,110

Timing of revenue recognition

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
At a point of time	300,705	334,061	214,140	206,180	41,073	38,279	(34,968)	(32,828)	520,950	545,692
Overtime	-	-	3,757	3,592	4,093	5,949	(2,916)	(4,332)	4,934	5,209
Total	300,705	334,061	217,897	209,772	45,166	44,228	(37,884)	(37,160)	525,884	550,901

Segment profit before income tax expense

	14,593	21,997	8,051	7,503	4,543	4,151	(7,925)	(6,887)	19,262	26,764
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Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in million Baht)</i>									
Revenue from sale of goods and rendering of services	300,705	334,061	217,897	209,772	45,166	44,228	(37,884)	(37,160)	525,884	550,901
Interest income	338	481	39	21	82	109	(302)	(317)	157	294
Dividend income	6,768	6,571	-	-	120	100	(6,888)	(6,671)	-	-
Net foreign exchange gain	147	1	9	47	77	124	(7)	(68)	226	104
Other income	20,572	19,920	817	789	905	842	(1,971)	(1,740)	20,323	19,811
Total revenues	328,530	361,034	218,762	210,629	46,350	45,403	(47,052)	(45,956)	546,590	571,110
Cost of sale of goods and rendering of services	216,981	240,235	192,016	185,012	34,105	33,581	(32,222)	(32,765)	410,880	426,063
Distribution costs	77,152	79,182	13,034	13,062	3,749	3,519	(2,799)	(2,373)	91,136	93,390
Administrative expenses	11,982	13,294	5,037	4,731	3,578	3,804	(3,874)	(3,657)	16,723	18,172
Net foreign exchange loss	-	-	5	11	2	58	(7)	(69)	-	-
Finance costs	7,822	6,326	619	310	373	290	(288)	(205)	8,526	6,721
Share of loss of investment in associate	-	-	-	-	-	-	63	-	63	-
Total expenses	313,937	339,037	210,711	203,126	41,807	41,252	(39,127)	(39,069)	527,328	544,346
Segment profit before income tax expense	14,593	21,997	8,051	7,503	4,543	4,151	(7,925)	(6,887)	19,262	26,764

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2020 and 2019 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in million Baht)</i>									
Investment properties	-	-	333	333	-	-	-	-	333	333
Property, plant and equipment	39,069	35,096	58,117	59,267	24,086	22,228	(1,073)	(509)	120,199	116,082
Right-of-use assets	41,011	-	10,627	-	1,768	-	(507)	-	52,899	-
Leasehold rights	-	361	-	2,728	-	828	-	-	-	3,917
Goodwill	-	-	127,959	127,959	137	137	-	-	128,096	128,096
Intangible assets other than goodwill	1,974	1,689	48,273	48,431	1,716	1,521	(257)	(257)	51,706	51,384
Other assets	336,950	246,771	28,893	24,391	25,294	26,618	(221,016)	(221,975)	170,121	75,805
Segment assets as at 31 December	419,004	283,917	274,202	263,109	53,001	51,332	(222,853)	(222,741)	523,354	375,617
Segment liabilities as at 31 December	338,164	203,758	66,190	56,829	26,530	28,433	(19,125)	(21,770)	411,759	267,250

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Promotional privileges

Certain local subsidiaries have been granted promotional certificates by the Office of the Board of Investment for the production of ready-to-serve foods or semi ready-to-serve foods, bakery, chill, research and development for food industry, and food scientific services. The subsidiaries have been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Revenue from sale of goods and rendering of services under the promoted business of the subsidiaries for the years ended 31 December 2020 and 2019 were as follow:

	Consolidated financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Domestic sale of goods and rendering of services	9,692	8,703
Total	9,692	8,703

Contract balances

As at 31 December 2020 the Group had outstanding balances of contract liabilities in the consolidated financial statements amounting to Baht 958 million (2019: Baht 794 million). The contract liabilities arises from consideration allocated to customer loyalty programmes. The Group will recognise this revenue when a customer obtain control of the goods or services, which is expected to occur within 1 year.

24 Leases

As a lessee

The Group has enter into a number of various assets categories primarily on respect of land and building lease agreements. These agreements are effective for period of 2 years to 38 years, which will expire on various dates until February 2050 with extension options at the end of lease term. The rental is payable as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>					
Sub-lease income		7	7	-	-
Depreciation of right-of-use assets:	14				
- Land		1,636	-	1,262	-
- Buildings		7,044	-	6,546	-
- Machinery and equipment		191	-	-	-
- Furniture, fixtures and office equipment		21	-	-	-
- Vehicles		111	-	-	-
Interest on lease liabilities	17	1,272	-	886	-
Expenses relating to short-term leases		783	-	577	-
Expenses relating to leases of low-value assets		177	-	52	-
Variable lease payments based on sales		53	-	53	-
Lease expense		-	9,863	-	8,757

Total cash outflow for leases presented in consolidated and separate statement of cash flows for the year ended 31 December 2020 were Baht 9,539 million and Baht 7,999 million, respectively.

As a lessor

The Group has enter into a number of land and spaces in buildings lease agreements which were classified as operating leases. These lease agreements are effective for period of 1 to 20 years and will expire on various dates until February 2025.

<i>Lease payments under operating lease are receivable</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
<i>At 31 December 2020</i>		
1 st year	71	-
2 nd year	35	-
3 rd year	11	-
4 th year	5	-
Total	122	-
<i>Minimum lease payments under operating lease are receivable</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
<i>At 31 December 2019</i>		
Within 1 year	61	-
1 - 5 years	44	-
Total	105	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

25 Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Sale promotion income	12,674	11,605	12,413	11,528
Income on royalties and other fees relating to licenses income	2,284	2,346	2,269	2,346
Other	5,365	5,860	5,890	6,046
Total	20,323	19,811	20,572	19,920

26 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Salaries, wages and bonus		34,405	34,718	21,643	22,424
Staff welfares		952	1,147	459	584
Contribution to social security fund		683	785	455	523
Defined benefit plans	20	419	1,193	215	681
Contribution to provident fund		332	315	174	165
Training expenses		144	178	1,100	1,562
Other		153	166	68	58
Total		37,088	38,502	24,114	25,997

The Company and its local subsidiaries have established contributory registered provident funds 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 funds are recorded as expenses in the statement of income as incurred. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

27 Expenses by nature

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

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Changes in inventories of finished goods and work in progress		(315)	(1,882)	(478)	(1,225)
Purchase of finished goods		384,806	401,902	210,445	233,804
Raw materials and consumables used		9,340	9,659	-	-
Depreciation - property, plant and equipment	13	10,892	10,166	6,755	6,091
Depreciation - right-of-use assets	14	9,003	-	7,808	-
Amortisation - leasehold rights		-	308	-	112
Amortisation - intangible assets other than goodwill	16	754	747	289	253
Employee benefit expenses	26	37,088	38,502	24,114	25,997
Convenience store management fees		19,196	21,345	19,196	21,345
Advertising and sale promotion expenses		14,402	13,972	13,371	12,676
Utilities expenses		9,888	9,774	7,545	7,444
Lease-related expenses (2019: rental fees)		1,013	9,863	682	8,757
Other		22,671	23,269	16,388	17,457
Total cost of sales of goods and rendering of services, distribution costs and administrative expenses		518,738	537,625	306,115	332,711

28 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in million Baht)			
Finance costs paid to:					
Related party	6	-	-	26	18
Related parties under leases (2019: finance leases)	6, 17	8	-	-	-
Financial institutions		7,254	6,668	6,910	6,308
Other parties under leases (2019: finance leases)	17	1,264	53	886	-
Total		8,526	6,721	7,822	6,326

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

29 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current tax				
Current year	2,972	4,376	407	1,918
Over provided in prior years	(43)	(31)	-	-
	<u>2,929</u>	<u>4,345</u>	<u>407</u>	<u>1,918</u>
Deferred income tax				
Movements in temporary differences	(170)	(275)	(112)	(101)
	<u>(170)</u>	<u>(275)</u>	<u>(112)</u>	<u>(101)</u>
Total	<u>2,759</u>	<u>4,070</u>	<u>295</u>	<u>1,817</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2020			2019		
	Before income tax	Tax expense	Net of income tax	Before income tax	Tax benefit	Net of income tax
	<i>(in million Baht)</i>					
(Gain) loss on remeasurements of defined benefit plans	(51)	9	(42)	545	(99)	446
Total	<u>(51)</u>	<u>9</u>	<u>(42)</u>	<u>545</u>	<u>(99)</u>	<u>446</u>

	Separate financial statements					
	2020			2019		
	Before income tax	Tax expense	Net of income tax	Before income tax	Tax benefit	Net of income tax
	<i>(in million Baht)</i>					
(Gain) loss on remeasurements of defined benefit plans	(61)	12	(49)	328	(66)	262
Total	<u>(61)</u>	<u>12</u>	<u>(49)</u>	<u>328</u>	<u>(66)</u>	<u>262</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
Applicable tax rate (%)	0%	20%	Other	Total
	<i>(in million Baht)</i>			
2020				
Accounting profit (loss) before income tax expense	(138)	20,268	(868)	19,262
Income tax at the applicable tax rates	-	4,054	-	4,054
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,250)	(2)	(1,252)
Over provided in prior years	-	(42)	(1)	(43)
Net	<u>-</u>	<u>2,762</u>	<u>(3)</u>	<u>2,759</u>

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other	Total
		<i>(in million Baht)</i>		
2019				
Accounting profit (loss) before income tax expense	318	26,935	(489)	26,764
Income tax at the applicable tax rates	-	5,387	11	5,398
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(1,295)	(2)	(1,297)
Over provided in prior years	-	(30)	(1)	(31)
Net	-	4,062	8	4,070

Applicable tax rate (%)	Separate financial statements	
	20% 2020	20% 2019
	<i>(in million Baht)</i>	
Accounting profit before income tax expense	14,593	21,997
Income tax at the applicable tax rates	2,919	4,399
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(2,624)	(2,582)
Net	295	1,817

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deferred tax assets	1,787	1,291	1,117	626
Deferred tax liabilities	(14,947)	(15,003)	-	-
Net	(13,160)	(13,712)	1,117	626

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Movements in deferred tax assets and liabilities during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements			
	Brought forward balance - as previously reported	Impact of changes in accounting policies (see note 3)	At 1 January (in million Baht)	(Charged)/ credited to Profit or loss / Other comprehensive income / At 31 December
2020				
Deferred tax assets (liabilities)				
Trade accounts receivable and other receivables	9	-	9	12
Inventories	152	-	152	167
Investments in associate	-	-	-	(940)
Property, plant and equipment	64	-	64	63
Right-of use assets	(104)	(7,434)	(7,538)	(9,143)
Derivatives liabilities	-	-	-	940
Lease liabilities (2019: finance lease liabilities)	121	7,840	7,961	9,677
Provisions for employee benefits	858	-	858	902
Fair value adjustment assets acquired through business combinations	(15,003)	-	(15,003)	(14,947)
Other	191	(15)	176	109
Total	(13,712)	391	(13,321)	(13,160)

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements						
	Brought forward balance - as previously reported	Impact of changes in accounting policies (see note 3)	At 1 January (in million Baht)	Profit or loss	Other comprehensive income	At 31 December
2020						
Deferred tax assets (liabilities)						
Other receivables	2	-	2	1	-	3
Inventories	33	-	33	11	-	44
Investments in associate	-	-	-	(940)	-	(940)
Property, plant and equipment	24	-	24	-	-	24
Right-of use assets	-	(7,434)	(7,434)	(501)	-	(7,935)
Derivatives liabilities	-	-	-	940	-	940
Lease liabilities	-	7,840	7,840	563	-	8,403
Provisions for employee benefits	552	-	552	38	(12)	578
Other	15	(15)	-	-	-	-
Total	626	391	1,017	112	(12)	1,117

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Consolidated financial statements		
	<u>(Charged)/ credited to</u>		
	At 1	Profit or loss	At 31
	January	(in million Baht)	December
		Other comprehensive income	
2019			
Deferred tax assets (liabilities)			
Trade accounts receivable and other receivables	7	2	9
Inventories	144	8	152
Property, plant and equipment	(52)	12	(40)
Provisions for employee benefits	610	149	858
Fair value adjustment assets acquired through business combinations	(15,088)	85	(15,003)
Other	293	19	312
Total	(14,086)	275	(13,712)

	Separate financial statements		
	<u>(Charged)/ credited to</u>		
	At 1	Profit or loss	At 31
	January	(in million Baht)	December
		Other comprehensive income	
2019			
Deferred tax assets			
Other receivables	2	-	2
Inventories	33	-	33
Property, plant and equipment	24	-	24
Provisions for employee benefits	385	101	552
Other	15	-	15
Total	459	101	626

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

30 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to equity holders of the Company less cumulative interest for the years on perpetual subordinated debentures and the number of ordinary shares outstanding during the years as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht/million shares)</i>			
Profit for the year attributable to equity holders of the Company	16,102	22,343	14,298	20,180
Less: cumulative interest for the year on perpetual subordinated debentures	(1,003)	(1,000)	(1,003)	(1,000)
Profit used in calculation of basic earnings per share	15,099	21,343	13,295	19,180
Number of ordinary shares outstanding during the year	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	1.68	2.38	1.48	2.14

31 Dividends

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

	Approval date	Payment date	Dividend rate (in Baht/share)	Amount (in million Baht)
<i>2020</i>				
2019 Annual dividend	15 April 2020	14 May 2020	1.25	11,229
<i>2019</i>				
2018 Annual dividend	26 April 2019	22 May 2019	1.20	10,780

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

32 Financial instruments

(a) Carrying amounts and fair values

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

	Consolidated financial statements				
	Carrying amount		Fair value		
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in million Baht)	Total
31 December 2020					
Financial assets					
Derivatives assets	-	1	-	1	1
Financial liabilities					
Debentures	-	-	152,996	152,996	160,042
Long-term borrowings from financial institutions	-	-	88,332	88,332	89,260
Derivatives liabilities	4,386	1	-	4,387	4,387
Accrued guarantee deposits	-	-	3,634	3,634	3,058

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Carrying amount		Separate financial statements				Fair value	
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in million Baht)	Level 1	Level 2	Level 3	Total
31 December 2020								
Financial liabilities								
Debentures	-	-	152,996	152,996	-	160,042	-	160,042
Long-term borrowings from financial institutions	-	-	79,620	79,620	-	80,458	-	80,458
Derivatives liabilities	4,386	-	-	4,386	-	4,386	-	4,386
Accrued guarantee deposits	-	-	3,622	3,622	-	3,046	-	3,046

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
		(in million Baht)				
31 December 2019						
Financial liabilities not measured at fair value						
Debentures	132,884	-	142,782	-	142,782	
Long-term borrowings from financial institutions	8,838	-	8,966	-	8,966	
Finance lease liabilities	641	-	757	-	757	
Accrued guarantee deposits	3,926	-	3,258	-	3,258	
		Separate financial statements				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
		(in million Baht)				
31 December 2019						
Financial liabilities not measured at fair value						
Debentures	132,884	-	142,782	-	142,782	
Accrued guarantee deposits	3,859	-	3,190	-	3,190	

Financial instruments measured at fair value for level 2

Type	Valuation technique
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Derivatives	Derived by a model using a valuation technique that incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

Financial instruments not measured at fair value

Fair value for trade debentures have been determined based on quoted selling price from the Thai Bond Market Association at the close of the business on the reporting date.

Fair value for finance lease liabilities, long-term borrowings from financial institutions and accrued guarantee deposits were calculated by using discounted cash flow method.

(b) Financial risk management policies

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable and other current receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the risk management committee.

The Group establishes policies to limit its exposure to credit risk from trade accounts receivable by setting period for credit terms in order to be capable of competing in market where the Group has operated. The credit terms range from 7 days to 90 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivable and other current receivables.

Consolidated financial statements					
	Note	Trade accounts receivable	Other current receivables	Total carrying amounts	Allowance for expected credit loss
<i>At 31 December 2020</i>					
				(in million Baht)	
Related parties					
Within credit terms		199	168	367	-
Overdue:					
Less than 3 months		28	278	306	-
3 - 6 months		3	15	18	-
6 - 12 months		4	3	7	-
Over 12 months		3	14	17	-
Total		237	478	715	-
Less allowance for expected credit loss		-	-	-	-
Net	6	237	478	715	

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements					
At 31 December 2020 (Continued)	Note	Trade accounts receivable	Other current receivables (in million Baht)	Total carrying amounts	Allowance for expected credit loss
Other parties					
Within credit terms		1,091	5,840	6,931	(4)
Overdue:					
Less than 3 months		299	850	1,149	(13)
3 - 6 months		35	5	40	(9)
6 - 12 months		39	12	51	(44)
Over 12 months		38	29	67	(55)
Total		1,502	6,736	8,238	(125)
Less allowance for expected credit loss		(89)	(36)	(125)	
Net		1,413	6,700	8,113	
Grand total		1,650	7,178	8,828	
Separate financial statements					
At 31 December 2020	Note	Trade accounts receivable	Other current receivables (in million Baht)	Total carrying amounts	Allowance for expected credit loss
Related parties					
Within credit terms		-	1,486	1,486	-
Overdue:					
Less than 3 months		-	175	175	-
3 - 6 months		-	20	20	-
6 - 12 months		-	-	-	-
Over 12 months		-	-	-	-
Total		-	1,681	1,681	-
Less allowance for expected credit loss		-	-	-	
Net	6	-	1,681	1,681	
Other parties					
Within credit terms		252	2,766	3,018	-
Overdue:					
Less than 3 months		-	816	816	(1)
3 - 6 months		-	2	2	(1)
6 - 12 months		-	7	7	(6)
Over 12 months		-	10	10	(10)
Total		252	3,601	3,853	(18)
Less allowance for expected credit loss		-	(18)	(18)	
Net		252	3,583	3,835	
Grand total		252	5,264	5,516	

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

<i>Trade accounts receivable</i>	<i>Note</i>	Consolidated financial statements (in million Baht)	Separate financial statements
At 31 December 2019			
Related parties			
Within credit terms		151	-
Overdue:			
Less than 3 months		55	-
3 - 6 months		6	-
6 - 12 months		20	-
Over 12 months		-	-
Total		232	-
Less allowance for doubtful accounts		-	-
Net	6	232	-
Other parties			
Within credit terms		1,041	116
Overdue:			
Less than 3 months		419	-
3 - 6 months		27	-
6 - 12 months		20	-
Over 12 months		23	-
Total		1,530	116
Less allowance for doubtful accounts		(44)	-
Net		1,486	116
Grand total		1,718	116
Other current receivables			
	<i>Note</i>	Consolidated financial statements (in million Baht)	Separate financial statements
At 31 December 2019			
Related parties			
Within credit terms		496	1,160
Overdue:			
Less than 3 months		338	337
3 - 6 months		1	1
6 - 12 months		3	-
Over 12 months		1	-
Total		839	1,498
Less allowance for doubtful accounts		-	-
Net	6	839	1,498
Other parties			
Within credit terms		6,031	2,895
Overdue:			
Less than 3 months		818	774
3 - 6 months		29	11
6 - 12 months		12	-
Over 12 months		35	11
Total		6,925	3,691
Less allowance for doubtful accounts		(35)	(15)
Net		6,890	3,676
Grand total		7,729	5,174

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The normal credit term granted by the Group ranges from 7 days to 90 days.

<i>Movement of allowance for expected credit loss of trade accounts receivable and other current receivables</i>	Consolidated financial statements (in million Baht)	Separate financial statements
As at 1 January 2020	79	15
Addition	64	6
Reversal	(5)	-
Write-off	(12)	(3)
Exchange differences on translating financial statements	(1)	-
As at 31 December 2020	125	18

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with external credit ratings, for which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
As at 31 December 2020	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in million Baht)			
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	1,050	1,052	-	-	-	1,052
Trade accounts payable	72,778	72,778	-	-	-	72,778
Other payables	3,849	3,849	-	-	-	3,849
Short-term borrowings from other parties	6	6	-	-	-	6
Debentures	152,996	20,808	22,632	79,362	62,083	184,885
Long-term borrowings from financial institutions	88,332	92,009	2,450	1,020	141	95,620
Lease liabilities	50,583	8,678	8,006	18,568	26,723	61,975
	369,594	199,180	33,088	98,950	88,947	420,165

Notes to the financial statements

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Consolidated financial statements						
As at 31 December 2020	Carrying amount	1 year or less	Contractual cash flows		More than 5 years	Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years		
			(in million Baht)			
Derivative financial liabilities						
Forward exchange contracts	4,387					
- Cash outflow		(69,786)	-	-	-	(69,786)
- Cash inflow		21	-	-	-	21
	<u>4,387</u>	<u>(69,765)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,765)</u>
Separate financial statements						
As at 31 December 2020	Carrying amount	1 year or less	Contractual cash flows		More than 5 years	Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years		
			(in million Baht)			
Non-derivative financial liabilities						
Trade accounts payable	36,493	36,493	-	-	-	36,493
Other payables	8,788	8,788	-	-	-	8,788
Debentures	152,996	20,808	22,632	79,362	62,083	184,885
Long-term borrowings from financial institutions	79,620	86,443	-	-	-	86,443
Lease liabilities	42,018	7,688	7,085	16,374	15,026	46,173
	<u>319,915</u>	<u>160,220</u>	<u>29,717</u>	<u>95,736</u>	<u>77,109</u>	<u>362,782</u>
Derivative financial liabilities						
Forward exchange contracts	4,386					
- Cash outflow		(69,736)	-	-	-	(69,736)
	<u>4,386</u>	<u>(69,736)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,736)</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

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The interest rates of financial assets and financial liabilities as at 31 December 2019 and the periods in which the financial assets and financial liabilities mature or re-price were as follows:

Consolidated financial statements					
Maturity period					
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2019					
Financial assets					
Time deposits	1.65 - 6.85	249	-	-	249
Debt securities	1.80	410	-	-	410
Total		659	-	-	659
Financial liabilities					
Promissory notes	Market rate	171	-	-	171
Liabilities under trust receipts	Market rate	607	-	-	607
Short-term borrowings from financial institutions	1.60 - 6.58	2,549	-	-	2,549
Short-term borrowings from other parties	Market rate	14	-	-	14
Debentures	2.86 - 5.35	12,290	73,814	46,780	132,884
Long-term borrowings from financial institutions	Interest rate as stipulated on agreement	239	8,211	388	8,838
Finance lease liabilities	6.00 - 9.00	92	332	217	641
Guarantee deposits payable to franchisees	1.25 - 1.50	-	47	3,859	3,906
Total		15,962	82,404	51,244	149,610
Separate financial statements					
Maturity period					
	Interest rate per annum (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2019					
Financial asset					
Short-term loans to subsidiaries	4.75	6,117	-	-	6,117
Total		6,117	-	-	6,117
Financial liabilities					
Short-term borrowings from financial institutions	1.60 - 1.67	2,500	-	-	2,500
Short-term borrowing from subsidiary	4.50	700	-	-	700
Debentures	2.86 - 5.35	12,290	73,814	46,780	132,884
Guarantee deposits payable to franchisees	1.25	-	-	3,859	3,859
Total		15,490	73,814	50,639	139,943

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to borrowings from financial institutions, purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated borrowings from financial institutions, purchases and sales of goods, denominated in foreign currencies, for the subsequent period.

The Company is exposed to the transactions with foreign currency risk to the extent that there is a mismatch between the currency in which borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is primarily Baht. The currency in which these transactions are primarily denominated are United States dollar.

The Company risk management policy is to hedge 70% to 140% its estimated foreign currency exposure in respect of forecast repayment of borrowings from financial institutions over the following 12 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, mostly with less-than-one-year maturity from the reporting date. These contracts are generally designated as cash flow hedges.

The Company designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve. The Company policy specifies the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

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Consolidated financial statements

	United States Dollar	Australian Dollar	Pound Sterling	Euro	Swiss Franc	Singapore Dollar	Hong Kong Dollar	Cambodia Riel	China Reminbi	Total
				(<i>in million Baht</i>)						
<i>At 31 December 2020</i>										
Cash and cash equivalents	180	1	-	-	-	-	1	-	19	353
Trade accounts receivable and other receivables	16	8	-	2	4	-	-	-	-	30
Trade accounts payable and other payables	(607)	(83)	(35)	(121)	(6)	(2)	-	(23)	(1)	(878)
Long-term borrowings from Financial institutions	(66,551)	-	-	-	-	-	-	-	-	(66,551)
Net statement of financial position exposure	(66,962)	(74)	(35)	(119)	(2)	(2)	1	(23)	19	(67,046)
Forward exchange purchase contracts	65,998	-	-	97	6	-	-	29	-	66,130
Forward exchange selling contracts	(31)	-	-	-	(13)	-	-	-	-	(44)
Net exposure	(995)	(74)	(35)	(22)	(9)	(2)	1	6	19	(960)

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements

	United States Dollar	Australian Dollar	Pound Sterling	Euro	Swiss Franc	Singapore Dollar	Hong Kong Dollar	Yen	Cambodia Riel	China Renminbi	Baht	Total
<i>At 31 December 2019</i>												
Cash and cash equivalents	251	-	-	-	-	-	1	-	128	162	-	542
Trade accounts receivable and other receivables	56	1	-	4	3	-	-	-	-	77	1	142
Trade accounts payable and other payables	(820)	(96)	(31)	(100)	(2)	(2)	-	(9)	-	(91)	(11)	(1,162)
Net statement of financial position exposure	(513)	(95)	(31)	(96)	1	(2)	1	(9)	128	148	(10)	(478)
Forward exchange purchase contracts	266	11	-	185	-	-	-	78	-	1	-	541
Forward exchange selling contracts	(26)	-	-	-	(6)	-	-	-	-	-	-	(32)
Net exposure	(273)	(84)	(31)	89	(5)	(2)	1	69	128	149	(10)	31

At 31 December 2019

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

<i>At 31 December 2020</i>	Separate financial statements	
	United States Dollar	Total
	<i>(in million Baht)</i>	
Cash and cash equivalents	139	139
Long-term borrowings from financial institutions	(66,551)	(66,551)
Net statement of financial position exposure	(66,412)	(66,412)
Forward exchange purchase contracts	65,727	65,727
Forward exchange selling contracts	-	-
Net exposure	(685)	(685)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the United States Dollar against all other currencies as at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>At 31 December 2020</i>	Movement (%)	Consolidated financial statements		Separate financial statements	
		Profit/ (loss)		Profit/ (loss)	
		Strengthening	Weakening <i>(in million Baht)</i>	Strengthening	Weakening
United States Dollar	1	(670)	670	(664)	664

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The exposure to 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.

<i>Exposure to interest rate risk at 31 December 2020</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Financial instruments with fixed interest rates</i>		
Financial assets	37	5,500
Financial liabilities	(161,055)	(152,996)
	(161,018)	(147,496)
Interest rate swaps	-	-
	(161,018)	(147,496)

For exposure to interest rate risk at 31 December 2019, please see the table under topic: liquidity risk.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(b.4) Cash flow hedges

At 31 December 2020, the Company held the following financial instruments to hedge exposures to changes in foreign currency.

	Consolidated financial statements/ Separate financial statements		
	Maturity		
	1 - 6 months	6 - 12 months	More than one year
Foreign currency risk at 31 December 2020			
Forward exchange contracts			
Net exposure (in million Baht)	60,697	2,718	-
Average USD:THB forward contracts rate	32.00	32.60	-

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

	Consolidated financial statements/ Separate financial statements		
	Change in value used for calculating hedge ineffectiveness	Cash flow hedges reserve (in million Baht)	Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
Foreign currency risk at 31 December 2020			
Investment in associate	-	(4,699)	-
Borrowings	-	392	-

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

	Consolidated financial statements/ Separate financial statements (in million Baht)
Foreign currency risk at 31 December 2020	
Forward exchange contracts - nominal amount	67,358
Carrying amount included in:	
- derivatives liabilities	(4,307)
Foreign currency risk for the year ended 31 December 2020	
Recognised in other comprehensive income	
- changes in value of the hedging instrument	(4,307)
- hedging reserve transferred to investment in associate	4,699
Recognised in profit or loss	
- reclassified from hedging reserve and included in foreign exchange loss	(392)

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The following table provides a reconciliation of other components of equity and analysis of other comprehensive income items resulting from cash flow hedge accounting.

	Consolidated financial statements/ Separate financial statements (in million Baht)
Cash flow hedges reserve - foreign currency risk	
Balance at 1 January 2020	-
Changes in fair value:	
- borrowings	392
- investment in associate	(4,699)
Amount reclassified to profit or loss:	
- borrowings	(392)
Amount included in the cost of non-financial item:	
- investment in associate	4,699
Balance at 31 December 2020	-

33 Capital Management

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

34 Supplemental disclosures of cash flows information

Property, plant and equipment and intangible assets other than goodwill paid by cash during the years ended 31 December 2020 and 2019 are detailed as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
<i>Property, plant and equipment</i>					
Increases during the year	13	15,273	15,978	10,935	10,519
Add (Less) - changes in payables		114	873	834	(335)
- assets under finance leases		-	(14)	-	-
Purchase and paid by cash		15,387	16,837	11,769	10,184
<i>Intangible assets other than goodwill</i>					
Increases during the year	16	1,009	799	574	548
Add (Less) - changes in payables		10	53	18	(97)
Purchase and paid by cash		1,019	852	592	451

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
Capital commitments				
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)	506	988	-	-
Total	506	988	-	-
Other commitments				
Unused letters of credit for purchase of goods and supplies	635	355	-	-
Total	635	355	-	-

Letters of guarantee

As at 31 December 2020 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 1,877 million and United States Dollars 0.3 million (2019: Baht 2,063 million and United States Dollars 0.3 million).

Significant agreements

As at 31 December 2020 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

- (d) A local subsidiary (Gosoft (Thailand) Co., Ltd.) has service agreements with local companies (“the parties”), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 6 months, and will expire on various dates until April 2021.
- (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 August 2025. 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 (CP Retailink Co., Ltd.) has repair and maintenance management service agreements with local companies (“the parties”), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary (Counter Service Co., Ltd.) has service agreements with local financial institutions (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate as banking agent for cash deposits, cash withdrawals and/or receipts of customers’ bills then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers as stipulated in the agreements. These agreements are effective for periods over 1 to 3 years, started and will expire on various dates up to December 2023. If either of the parties has intention to terminate or has no intention to renew the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (h) A local subsidiary (Counter Service Co., Ltd.) has service agreements with local financial institutions (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate as agent for customer identification and verification. The subsidiary can collect service income from the parties as stipulated in the agreements. These agreements are effective for periods of 1 year to 3 years, started and will expire on various dates up to August 2023. If either of the parties has intention to terminate or has no intention to renew the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (i) Foreign indirect subsidiaries (CP ALL (CAMBODIA) CO., LTD. and CP ALL LAOS COMPANY LIMITED) have Master Franchise Agreements with 7-Eleven, Inc., which was incorporated in the United States of America, to obtain franchising rights in the establishment and operation of 7-Eleven convenience stores in Cambodia and Laos for a period of 30 years, which the parties may agree to extend by two additional 20-year terms. The indirect subsidiaries are committed to pay a monthly fee to 7-Eleven, Inc. calculated as percentages of total sales and other income of the 7-Eleven convenience stores that are operating in Cambodia and Laos.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

36 Events after the reporting period

- 36.1 At the Board of Directors' meeting of the Company held on 22 February 2021, the Board of Directors of the Company resolved to approve the Company's increased debenture issuance and offering facility for not exceeding Baht 100,000 million, from previous facility of Baht 195,000 million, in order to issue and offer additional debentures which had the objective to repayment of matured debentures and refinance existing debentures, repayment of loans, repayment of short-term bills of exchange and/or for working capital. Debenture issuance and offering facility, when combine the increased facility and the previous facility, shall be totally not exceed Baht 295,000 million.
- 36.2 At the Board of Directors' meeting of the Company held on 22 February 2021, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2020 of Baht 0.90 per share for 8,983 million ordinary shares, totaling Baht 8,085 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.
- 36.3 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) held on 19 February 2021, 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 2020 of Baht 0.60 per share for 4,800 million ordinary shares, totaling Baht 2,880 million. The declaration of dividend payment must be approved by the shareholders' meeting of the subsidiary.
- 36.4 As disclosed in note 5 to the financial statements, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from COVID-19 pandemic. The guidance expired on 31 December 2020.

However, the COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. It is still not possible to predict when the spread will be over. As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group.

37 Thai Financial Reporting Standards not yet adopted

The amendment to TFRS 16 provides an option for lessees not to assess whether COVID-19-related rent concessions are lease modifications, but to directly decrease the lease liability. The impact from the application of the option shall be adjusted to retained earnings on 1 January 2021 and no adjustments are to be made on comparative financial statements. Management will apply the option starting from 1 January 2021 and expect that there will be no material impact on the consolidated and separate financial statements in the initial period application.



Attachment

Information of Directors and Executives

Adjunct Professor Prasobsook Boondech

75 years old

Position :

Independent Director

Chairman of Sustainability and Corporate Governance Committee

Appointment Date :

April 21, 2016

Term of Office

First Term : April 21, 2016 – April 26, 2019

Second Term : April 26, 2019 – Present

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

Expertise

- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Law and Case
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2020 Director Accreditation Program (DAP177/2020)

2017 Director Accreditation Program (DAP)

2016 Ethical Leadership Program (ELP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 2 Organizations:

- Legal Adviser, Thanachart Bank Public Company Limited
- Independent Director, Siam Makro Public Co., Ltd.

Non-Listed Company –None–

5-Year Past Experiences and/or Remarkable Position

2016 – 2020 Independent Director, C.P. Lotus Corporation

2015 – 2019 Independent Director, News Network Corporation
Public Company Limited

2012 Member of the Council of State

2008 President of the Senate

2004 President of the Court of Appeal

(%) shareholding (as at December 31, 2020)

- 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 2020 :

10 times out of 10 meetings

Police General Phatcharavat Wongsuwan

71 years old

Position :

Independent Director

Chairman of Remuneration and Nomination Committee

Member of Sustainability and Corporate Governance Committee

Appointment Date :

February 19, 2013

Term of Office

First Term : February 19, 2013 – April 25, 2013

Second Term : April 25, 2013– April 21, 2016

Third Term : April 21, 2016 – April 26, 2019

Fourth Term : April 26, 2019 – Present

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

Expertise

- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Law and Case
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2017 Director Accreditation Program (DAP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 2 Organizations:

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

Non-Listed Company 1 Organization:

- 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, 2020)

- 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 2020 :

10 times out of 10 meetings

Mr. Padoong Techasarintr

80 years old

Position :

Independent Director

Chairman of Audit Committee

Member of Sustainability and Corporate Governance Committee

Member of Remuneration and Nomination Committee

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 26, 2001

Second Term : April 26, 2001 – April 28, 2004

Third Term : April 28, 2004 – April 26, 2007

Fourth Term : April 26, 2007 – April 28, 2010

Fifth Term : April 28, 2010 – April 25, 2013

Sixth Term : April 25, 2013 – April 21, 2016

Seventh Term : April 21, 2016 – April 26, 2019

Eighth Term : April 26, 2019 – Present

Education

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

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Law and Case
- Security and Society
- Economics and Banking

Training by the Thai Institute of Directors Association (IOD)

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

Board Member/Management in Other Company/Organization/Institution**Listed Company** 3 Organizations:

- 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 Resources Public Co., Ltd.

Non-Listed Company 1 Organization:

- Chairman of Audit Committee, Panyapiwat Institute of Management

5-Year Past Experiences and/or Remarkable Position

2008 – 2020	Independent Director and Audit Committee, Kulthorn Kirby Public Co., Ltd.
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, 2020)

- 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 2020 :

10 times out of 10 meetings

Mr. Pridi Boonyoung

82 years old

Position :

Independent Director

Member of Audit Committee

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 26, 2001

Second Term : April 26, 2001 – April 28, 2004

Third Term : April 28, 2004 – April 26, 2007

Fourth Term : April 26, 2007 – April 28, 2010

Fifth Term : April 28, 2010 – April 25, 2013

Sixth Term : April 25, 2013 – April 21, 2016

Seventh Term : April 21, 2016 – April 26, 2019

Eighth Term : April 26, 2019 – Present

Education

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

Expertise

- Accounting and Finance
- Risk Management
- Law and Case

Training by the Thai Institute of Directors Association (IOD)

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

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 1 Organization:

- Member of 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, 2020)

- 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 2020 :

10 times out of 10 meetings

Mrs. Nampung Wongsomth

62 years old

Position :

Independent Director

Member of Audit Committee

Appointment Date :

February 22, 2018

Term of Office

First Term : February 22, 2018 – April 26, 2019

Second Term : April 26, 2019 – Present

Education

- Master of Business Administration (Finance), Oklahoma State University, USA
- Bachelor of Economics (International Economics), Chulalongkorn University

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Risk Management
- Economics and Banking

Training by the Thai Institute of Directors Association (IOD)

2018 Role of Chairman Program (RCP)

2016 Advanced Audit Committee Program

2007 Director Certificate Program (DCP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 2 Organizations:

- Independent Director, Christiani & Nielsen (Thai) Public Co., Ltd.
- Independent Director, Krungthai Card Public Company Limited

Non-Listed Company 1 Organization:

- Member of Audit Committee, Panyapiwat Institute of Management

5-Year Past Experiences and/or Remarkable Position

2017 – July 2019 Independent Director, Bank for Agriculture and Agricultural Cooperatives

2017 – 2018 Independent Director, The Transport Co., Ltd.

2015 – 2017 Risk Management Committee, Sukhumvit Asset Management Co., Ltd.

(%) shareholding (as at December 31, 2020)

- 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 2020 :

10 times out of 10 meetings

Mr. Soopakij Chearavanont

57 years old

Position :

Chairman

Appointment Date :

August 15, 2003

Term of Office

First Term : August 15, 2003 – April 28, 2006

Second Term : April 28, 2006 – April 23, 2009

Third Term : April 23, 2009 – April 26, 2012

Fourth Term : April 26, 2012 – April 23, 2015

Fifth Term : April 23, 2015 – April 20, 2018

Sixth Term : April 20, 2018 – Present

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

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- International Competition
- Security and Society
- Economics and Banking

Training by the Thai Institute of Directors Association (IOD)

2011 Director Accreditation Program (DAP) 92/2011

Board Member/Management in Other Company/Organization/Institution

Listed Company 1 Organization:

- Chairman, Charoen Pokphand Foods Public Co., Ltd.

Non-Listed Company 14 Organizations:

- Chairman, C.P. Pokphand Co., Ltd.
- Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman, Chia Tai Group
- Chairman, Chia Tai Enterprises International Ltd.
- Director, SAIC Motor-CP Co., Ltd.
- Director, Ping An Insurance (Group) Company of China
- Vice Chairman, Chia Tai China Investment Ltd.
- Executive Chairman, True Visions Group Co., Ltd.
- Chairman, CT Bright Holdings Ltd.
- Co-Chairman, Shanghai Kinghill Ltd.
- Chairman, Chia Tai Real Estate Group Co., Ltd.
- Chairman, C.P. Lotus Corporation
- Director, C.P. Retail Holding Co., Ltd.
- Director, C.P. Retail Development Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2013 – 2016 Director, Siam Makro Public Company Limited

(%) shareholding (as at December 31, 2020)

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

Family Relationship among Directors and Executives

Mr. Narong Chearavanont and Mr. Suphachai Chearavanont's brother

Attendance at the Board of Directors' Meeting during 2020 :

9 times out of 10 meetings

Mr. Korsak Chairasmisak

68 years old

Position :

Vice Chairman

Authorized Director

Chairman of Executive Committee

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 28, 2000

Second Term : April 28, 2000 – April 29, 2003

Third Term : April 29, 2003 – April 28, 2006

Fourth Term : April 28, 2006 – April 23, 2009

Fifth Term : April 23, 2009 – April 26, 2012

Sixth Term : April 26, 2012 – April 23, 2015

Seventh Term : April 23, 2015 – April 20, 2018

Eighth Term : April 20, 2018 – Present

Education

- Honorary Doctor of Philosophy in Education Management, College of Asian Scholars (CAS)
- 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's Degree in Economics, Thammasat University

Expertise

- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- International Competition
- Research and Development
- Security and Society
- Economics and Banking

Training by the Thai Institute of Directors Association (IOD)

2006 The Role of Chairman

2000 Director Certification Program (DCP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 1 Organization:

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

Non-Listed Company

13 Organizations:

- 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, Uttayandham Foundation
- Director, Suksapiwat Co., Ltd.
- Director, OHT Co., Ltd.
- Director, Siam Makro Holding (Thailand) Ltd.
- Director, Lotus Distribution Investment Ltd.
- Director, Nanjing Tech University Pujiang Institute

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, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.10094*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Attendance at the Board of Directors' Meeting during 2020 :

10 times out of 10 meetings

Mr. Suphachai Chearavanont

53 years old

Position :

Vice Chairman

Authorized Director

Member of Remuneration and Nomination Committee

Appointment Date :

June 7, 2019

Term of Office

First Term : June 7, 2019 – Present

Education

- Honorary Doctorate degree in Business Management, Khon Kaen University
- Honorary Doctorate degree in Marketing, Rajamangala University of Technology Isan

- Honorary Doctorate Degree in Mass Communications, Ramkhamhaeng University
- Bachelor of Business Administration in Financial Management, Boston University, USA

Expertise

- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- International Competition
- Digital
- Research and Development
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2011 Director Accreditation Program (DAP) 92/2011

Board Member/Management in Other Company/Organization/Institution

Listed Company 3 Organizations:

- Chairman, True Corporation Public Co., Ltd.
- Chairman, Siam Makro Public Co., Ltd.
- Vice Chairman, Charoen Pokphand Food Public Co., Ltd.

Non-Listed Company 27 Organizations:

- Director and Chief Executive Officer, True Visions Group Company Limited
- Director, Satellite Service Company Limited
- Director, Panther Entertainment Company Limited
- Director, True Music Company Limited
- Director, TRUE4U Station Company Limited
- Director, Cineplex Company Limited
- Director, True Media Solutions Company Limited
- Director, True Move H Universal Communication Company Limited
- Director, True Incube Company Limited
- Director, K.I.N. (Thailand) Company Limited
- Chairman, Global Compact Network Thailand (GCNT)
- Director, Pracharath Rak Samakkee Social Enterprise (Thailand) Company Limited
- Director, Princess Sirivannavari Cultivated Arts Foundation
- Director, Magnolia Finest Corporation Limited
- Director, Lotus's Stores (Thailand) Co., Ltd.
- Advisor, The Thai Chamber of Commerce
- Advisor, The University Council of the University of the Thai Chamber of Commerce
- Honorary Advisor of the Federation of Thai Industries
- Chief Executive Officer, Charoen Pokphand Group Company Limited
- Director and Advisor of Master of Science Program and Doctor of Philosophy Program in Technopreneurship and Innovation Management (TIP), Chulalongkorn University
- Director of Ramathibodi Foundation
- Chairman of the Sub Committee for Fund Raising Thai Red Cross Eye Bank
- Member of the Thai Red Cross Eye Bank Committee
- Director, Freewill Solutions Company Limited
- Chairman of the Digital Council of Thailand

- Advisor of E-Learning Association of Thailand
- Member of the Public Engagement Committee, Princess Maha Chakkri Award Foundation

5-Year Past Experiences and/or Remarkable Position

2015 – 2017	President, the Telecommunications Association of Thailand under the Royal Patronage (TCT)
2006 – 2018	Director, BEBOYDCG Company Limited
1993 – 2018	Director, Telecom Holding Company Limited
2010 – 2017	Chief Executive Officer, True Move H Universal Communication Company Limited
2001 – 2017	Chief Executive Officer, True Move Company Limited
2001 – 2017	Director, Bangkok Inter Teletech Public Company Limited
1995 – 2017	Director, True Internet Company Limited
2005 – 2015	Director, K.I.N. (Thailand) Company Limited

(%) shareholding (as at December 31, 2020)

- Held personally –None–
- Held by spouse or minor children 0.00004

Family Relationship among Directors and Executives

Mr. Soopakij Chearavanont and Mr. Narong Chearavanont's brother

Attendance at the Board of Directors' Meeting during 2020 :

9 times out of 10 meetings

Mr. Adirek Sripratak

74 years old

Position :

Director

Authorized Director

Appointment Date :

August 11, 2005

Term of Office

First Term	: August 11, 2005 – April 26, 2007
Second Term	: April 26, 2007 – April 28, 2010
Third Term	: April 28, 2010 – April 26, 2012
Fourth Term	: April 26, 2012 – April 23, 2015
Fifth Term	: April 23, 2015 – April 20, 2018
Sixth Term	: April 20, 2018 – Present

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

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- International Competition
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

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

Board Member/Management in Other Company/Organization/Institution

Listed Company 2 Organizations:

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

Non-Listed Company 30 Organizations:

- Chairman, CPF (Thailand) Public Co., Ltd.
- Chairman, CPF IT Center Co., Ltd.
- Vice Chairman, C.P. Pokphand Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Investment Ltd.
- Director, Bellisio Investment Inc.
- Director, CPVN Ltd.
- Director, C.P. Vietnam Corporation
- Director, CPF (India) Private Ltd.
- Director, C.P. Cambodia Co., Ltd.
- Director, C.P. Laos Co., Ltd.
- Director, Chia Tai (China) Investment Ltd.
- Director, CP-Meiji Co., Ltd.
- Director, Charoen Pokphand (Taiwan) Investment Ltd.
- Director, Bright Excel Investments Ltd.
- Director, Coination Investments Ltd.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.
- Director, Giant Crown Investments Ltd.
- Director, CPV Food Co., Ltd.
- Director, JSC Poultry Production Severnaya
- Director, JSC Poultry Parent Stock Production Woyskovitsy
- Director, Arbor Acres Thailand Co., Ltd.
- Director, Ross Breeders Siam Co., Ltd.
- Honor president, Thai Broiler Processing Exporters Association
- Director, C.P. Retail Holding Co., Ltd.
- Director, C.P. Retail Development Co., Ltd.
- Director, Lotus's Stores (Thailand) Co., Ltd.
- Director, CP Aqua Co., Ltd.
- Director, CPF Canada Holding Corp.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding (as at December 31, 2020)

- 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 2020 :

9 times out of 10 meetings

Mr. Umroong Sanphasitvong

68 years old

Position :

Director
Authorized Director
Member of Sustainability and Corporate Governance Committee
Member of Executive Committee

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 28, 2000
Second Term : April 28, 2000 – April 29, 2003
Third Term : April 29, 2003 – April 28, 2006
Fourth Term : April 28, 2006 – April 23, 2009
Fifth Term : April 23, 2009 – April 22, 2011
Sixth Term : April 22, 2011 – April 24, 2014
Seventh Term : April 24, 2014 – April 20, 2017
Eighth Term : April 20, 2017 – July 16, 2020
Ninth Term : July 16, 2020 – Present

Education

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

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Risk Management
- Business and Marketing
- International Competition
- Security and Society
- Economics and Banking

Training by the Thai Institute of Directors Association (IOD)

- 2018 National Director Conference 2018 Rising above Disruptions: A Call for Action
2016 Driving Company Success with IT Governance (ITG)
2016 Ethical Leadership Program (ELP)
2007 Role of the Compensation Committee
2006 Board Performance Evaluation
2006 DCP refresher
2003 Company Secretary
2001 Director Certification Program (DCP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 2 Organizations:

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

Non-Listed Company 18 Organizations:

- Deputy Group CFO, Charoen Pokphand Group Co., Ltd.
- Director, CPPC Public Co., Ltd.

- 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, Ascend Group Co., Ltd.
- Director, Suksapiwat 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.
- Director, C.P. Lotus Corporation
- Director, C.P. Retail Holding Co., Ltd.
- Director, C.P. Retail Development Co., Ltd.
- Director, Lotus's Stores (Thailand) Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

–None–

(%) shareholding (as at December 31, 2020)

- 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 2020 :

10 times out of 10 meetings

Mr. Narong Chearavanont

55 years old

Position :

Director

Authorized Director

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 30, 1999
 Second Term : April 30, 1999 – April 29, 2002
 Third Term : April 29, 2002 – April 28, 2005
 Fourth Term : April 28, 2005 – April 24, 2008
 Fifth Term : April 24, 2008 – April 22, 2011
 Sixth Term : April 22, 2011 – April 24, 2014
 Seventh Term : April 24, 2014 – April 20, 2017
 Eighth Term : April 20, 2017 – July 16, 2020
 Ninth Term : July 16, 2020 – Present

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

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Crisis Management
- Business and Marketing
- International Competition
- Digital
- Research and Development
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2007 Director Accreditation Program (DAP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 2 Organizations:

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

Non-Listed Company 32 Organizations:

Senior Vice Chairman

- Charoen Pokphand Group Co., Ltd.

Executive Vice Chairman

- Chia Tai (China) Investment Company Limited
- C.P. Lotus Corporation

Chairman

- The ICONSIAM Superlux Residences Corporation Limited
- The ICONSIAM Residences Corporation Company Limited
- Charoen Pokphand Import & Export Trading (Shanghai) Co., Ltd.

Vice Chairman

- The ICONSIAM Company Limited
- 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

Director

- C.P. Pokphand Co., Ltd.
- CPPC Public Company Limited
- Beston Action Utility Wear (Lianyungang) Company Limited
- Cineplex Company Limited
- Satellite Services Company Limited
- OHT Co., Ltd.
- Siam Makro Holding (Thailand) Limited
- Lotus Distribution Investment Limited
- 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 Chaopraya River Holdings Company Limited
- Siam River Holdings Company Limited
- True Iconsiam Company Limited
- Tesco Stores (Malaysia) Sdn. Bhd.

- Senior Executive Assistant to Chairman Charoen Pokphand Group “Global Talent Recruitment”
- Governance Committee, Leadership Development Institute

5-Year Past Experiences and/or Remarkable Position

2008 – 2010 Director, True Visions Public Company Limited

(%) shareholding (as at December 31, 2020)

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

Family Relationship among Directors and Executives

Mr. Soopakij Chearavanont and Mr. Suphachai Chearavanont's brother

Attendance at the Board of Directors' Meeting during 2020 :

10 times out of 10 meetings

Mr. Prasert Jarupanich

72 years old

Position :

Director

Authorized Director

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 30, 1999
 Second Term : April 30, 1999 – April 29, 2002
 Third Term : April 29, 2002 – April 28, 2005
 Fourth Term : April 28, 2005 – April 24, 2008
 Fifth Term : April 24, 2008 – April 22, 2011
 Sixth Term : April 22, 2011 – April 24, 2014
 Seventh Term : April 24, 2014 – April 20, 2017
 Eighth Term : April 20, 2017 – July 16, 2020
 Ninth Term : July 16, 2020 – Present

Education

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

Expertise

- Administration and Large Organization Management
- Business and Marketing
- International Competition
- Digital

Training by the Thai Institute of Directors Association (IOD)

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

Board Member/Management in Other Company/Organization/Institution

Listed Company 1 Organization:

- Director, Siam Makro Public Co., Ltd.

Non-Listed Company 18 Organizations:

- 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, 2020)

- 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 2020 :

10 times out of 10 meetings

Mr. Pittaya Jearavisitkul

65 years old

Position :

Director

Authorized Director

Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 30, 1999
 Second Term : April 30, 1999 – April 29, 2002
 Third Term : April 29, 2002 – April 28, 2005
 Fourth Term : April 28, 2005 – April 24, 2008
 Fifth Term : April 24, 2008 – April 22, 2011
 Sixth Term : April 22, 2011 – April 24, 2014
 Seventh Term : April 24, 2014 – April 20, 2017
 Eighth Term : April 20, 2017 – July 16, 2020
 Ninth Term : July 16, 2020 – Present

Education

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

Expertise

- Accounting and Finance
- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- Economics and Banking

Training by the Thai Institute of Directors Association (IOD)

2000 Director Certification Program (DCP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 1 Organization:

- Director, Siam Makro Public Co., Ltd.

Non-Listed Company 16 Organizations:

- 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, ALL Now 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.
- Director, ALL NOW LOGISTICS CO., LTD.
- Director, ALL Wellness 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, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.02189*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Attendance at the Board of Directors' Meeting during 2020 :

10 times out of 10 meetings

Mr. Piyawat Titasattavorakul

67 years old

Position :

Director

Authorized Director

Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Term of Office

First Term : March 11, 1999 – April 30, 1999

Second Term : April 30, 1999 – April 29, 2002

Third Term : April 29, 2002 – April 28, 2005

Fourth Term : April 28, 2005 – April 24, 2008

Fifth Term : April 24, 2008 – April 22, 2011

Sixth Term : April 22, 2011 – April 24, 2014

Seventh Term : April 24, 2014 – April 20, 2017

Eighth Term : April 20, 2017 – July 16, 2020

Ninth Term : July 16, 2020 – Present

Education

- Bachelor's Degree in Marketing, Ramkhamhaeng University

Expertise

- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- Research and Development
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2001 Director Certification Program (DCP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 1 Organization:

- Director, Siam Makro Public Co., Ltd.

Non-Listed Company 24 Organizations:

- 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, ALL Now 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
- Director, ALL Wellness Co., Ltd.
- Director, ALL NOW LOGISTICS CO., LTD.
- Director, Thai Smart Card Co., Ltd.
- Director, Tesco Stores (Malaysia) Sdn. Bhd.

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, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00102*
- Held by spouse or minor children 0.00002

Family Relationship among Directors and Executives

–None–

Attendance at the Board of Directors' Meeting during 2020 :

10 times out of 10 meetings

Mr. Tanin Buranamanit

57 years old

Position :

Director

Authorized Director

Member of Executive Committee

Chief Executive Officer

Appointment Date :

April 28, 2010

Term of Office

First Term : April 28, 2010 – April 26, 2012

Second Term : April 26, 2012 – April 23, 2015

Third Term : April 23, 2015 – April 20, 2018

Fourth Term : April 20, 2018 – Present

Education

- Bachelor's Degree in Marketing, Thammasat University

Expertise

- Administration and Large Organization Management
- Risk Management
- Crisis Management
- Business and Marketing
- Research and Development
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2010 Director Certification Program (DCP)

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 1 Organization:

- Director, All Corporation 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, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00576*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Attendance at the Board of Directors' Meeting during 2020 :

10 times out of 10 meetings

Mr. Wisade Wisidwinyoo

63 years old

Position :

Member of Executive Committee

Appointment Date :

February 17, 2015

Education

- Honorary Doctorate of Science, Rajamangala University of Technology Phra Nakhon
- Master's Degree in Engineering, The University of Texas at Arlington
- Bachelor's 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 Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 2 Organizations:

- President, CPRAM Co., Ltd.
- President, 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, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00066*
- Held by spouse or minor children 0.00223

Family Relationship among Directors and Executives

–None–

Mr. Taweesak Kaewratthanapattama

64 years old

Position :

Member of Executive Committee

Senior Vice President – Accounting and Finance

Chief Finance Office

Appointment Date :

November 13, 2017 (Member of Executive Committee)

March 1, 2006 (Chief Finance Office)

Education

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

Training by the Thai Institute of Directors Association (IOD)

2007 Director Certification Program (DCP)

Continuing Professional Development Program

- 2020 Tips for preparing and present Cash Flow Statement (7 hours)
- 2019 Update Revenue Code 2018 – 2019 (10.30 hours)
- 2019 Going Concern & Financial Instrument (3.30 hours)
- 2019 How important are intangible assets impairments? & How important of Employee Benefit Actuarial Valuation (3 hours)
- 2019 Policies of the SEC in developing the capital market and supporting Listed companies (2 hours)

2019	Impact of TFRS16 on Leases to the financial statements and significant financial ratios (2.30 hours)
2018	Auditing practice in accordance with auditing standards and presentation of financial statements (3.30 hours)
2018	Tax Law 2017-2018 (10.30 hours)
2018	Technique for preparing financial report and financial analysis report (6 hours)

Board Member/Management in Other Company/Organization/Institution

Listed Company	-None-
Non-Listed Company	18 Organizations:

- 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, ALL Now 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.
- Director, ALL Wellness Co., Ltd.
- Director, ALL NOW LOGISTICS CO., LTD.
- Director, Thai Smart Card Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00118*
- Held by spouse or minor children 0.00537

Family Relationship among Directors and Executives

-None-

Mr. Vichien Chuengviroj

65 years old

Position :

Member of Executive Committee
Senior Vice President – Corporate Asset and Facilities Management

Appointment Date :

August 8, 2019 (Member of Executive Committee)

Education

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

Training by the Thai Institute of Directors Association (IOD)

2018 Ethical Leadership Program (ELP)

Board Member/Management in Other Company/Organization/Institution

Listed Company	-None-
Non-Listed Company	-None-

5-Year Past Experiences and/or Remarkable Position

-None-

(%) shareholding* (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00044*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Ms. Lawan Tienghongsakul

60 years old

Position :

Member of Executive Committee
Senior Vice President – Human Resource

Appointment Date :

August 8, 2019 (Member of Executive Committee)

Education

- Bachelor's 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 Other Company/Organization/Institution

Listed Company	-None-
Non-Listed Company	2 Organizations:

- Director, Panyatara Co., Ltd.
- Director, All Training Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

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

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00371*
- Held by spouse or minor children 0.00004

Family Relationship among Directors and Executives

-None-

Mr. Yuthasak Poomsurakul

55 years old

Position :

Managing Director (Co)
In charge of – Merchandising & Marketing
– Purchasing
– Corporate Strategy
– Sustainable Development
– Information Technology

Education

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

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 1 Organization:

- Director, CP Foodlab Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2016 – 2020 Senior Vice President, CP All Public Co., Ltd.

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

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00167*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Mr. Vichai Janjariyakun

55 years old

Position :

Managing Director (Co)

In charge of – Operation

Education

- Bachelor of Marketing, Assumption University

Training by the Thai Institute of Directors Association (IOD)

–None–

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** –None–**5-Year Past Experiences and/or Remarkable Position**

–None–

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00183*
- Held by spouse or minor children 0.00002

Family Relationship among Directors and Executives

–None–

Mr. Kriengchai Boonpoapichart

52 years old

Position :

Senior Vice President – Accounting and Finance (Vice)

Education

- Master's Degree, MBA, International University of Japan
- Bachelor of Accounting, Chulalongkorn University

Training by the Thai Institute of Directors Association (IOD)

2004 Director Certification Program (DCP52)

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 14 Organizations:

- Director, CPRAM Co., Ltd.
- Director, CP Retailink Co., Ltd.
- Director, Gosoft (Thailand) Co., Ltd.

- Director, ALL Now Management Co., Ltd.
- Director, Panyatara Co., Ltd.
- Director, All Training Co., Ltd.
- Director, All Corporation Ltd.
- Director, 24 Shopping Co., Ltd.
- Director, ALL Wellness Co., Ltd.
- Director, ALL NOW LOGISTICS CO., LTD.
- Director, Counter Service Co., Ltd.
- Director, MAM Heart Co., Ltd.
- Director, Thai Smart Card Co., Ltd.
- Director, ALL GUARDIAN CO., LTD.

5-Year Past Experiences and/or Remarkable Position

2009 – 2018 Vice President, CP All Public Co., Ltd.

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00106*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Mr. Ampa Yongpisanpop

60 years old

Position :

Senior Vice President – Distribution Center Function

Education

- Bachelor's Degree in Animal Science, Khon Kaen University

Training by the Thai Institute of Directors Association (IOD)

–None–

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 3 Organizations:

- Director, 24 Shopping Co., Ltd.
- Director, All Now Management Co., Ltd.
- Director, ALL NOW LOGISTICS CO., LTD.

5-Year Past Experiences and/or Remarkable Position

2012 – 2019 Vice President, CP All Public Co., Ltd.

2012 – 2019 Vice President, 24 Shopping Co., Ltd.

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00097*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Mr. Wiwat Pongritsakda

57 years old

Position :

Vice President – Information Technology

Education

- Master of Telecommunication and Computer Network, Rangsit University
- Bachelor of Economics, Finance and Banking, The University of the Thai Chamber of Commerce

Training by the Thai Institute of Directors Association (IOD)

–None–

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** 1 Organization:

- Director, Chief Operating Officer & Chief Technology Officer, Gosoft (Thailand) Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2004 – 2006 Manager, PWS Consulting Co., Ltd.

2003 – 2004 Manager, IBM Solutions Delivery Co., Ltd.

1985 – 2003 Deputy Director, Kasikornbank Public Co., Ltd.

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00037*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Mr. Ronnakitt Pojamarnpornchai

53 years old

Position :

Vice President – Corporate Strategy

Education

- Master's Degree, Executive Master of Business Administration, Chulalongkorn University
- Bachelor's Degree in Business Administration (Accounting), Ramkhamhaeng University

Training by the Thai Institute of Directors Association (IOD)

–None–

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** –None–**5-Year Past Experiences and/or Remarkable Position**

2018 Vice President of Managerial Accounting Group, CP All Public Co., Ltd.

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00118*
- Held by spouse or minor children 0.00029*

Family Relationship among Directors and Executives

–None–

Mrs. Phaphatsorn Thanasorn

58 years old

Position :

Vice President – Purchasing

Education (as at August 2020)

- Bachelor's Degree in Finance and Banking, Assumption University

Training by the Thai Institute of Directors Association (IOD)

–None–

Board Member/Management in Other Company/Organization/Institution**Listed Company** –None–**Non-Listed Company** –None–**5-Year Past Experiences and/or Remarkable Position**

–None–

(%) shareholding (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00127*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Information of the Person Supervising Accounting

Ms. Aphaporn Wisitkamthorn

48 years old

Position : General Manager – Accounting Shared Services
: has qualification and meet requirement to be a Supervising Accounting according to the Guideline stipulated by the Department of Business Development

Appointment Date :

February 11, 2020 (Account Controller)

Education

- Master of Management, General Management, Mahidol University
- Bachelor of Accounting, University of the Thai Chamber of Commerce

Training by the Thai Institute of Directors Association (IOD)

–None–

Continuing Professional Development Program

2020	TFRS 9 Financial Instrument (6.00 hours)
2020	Tax of Online Business for Entrepreneurs (6.30 hours)
2019	Update TFRS 16 (6.30 hours)
2018	Taxation of Sales Promotion (6.30 hours)
2017	The difference between the accounting and taxation of new TFRS (7.00 hours)
2017	e-Tax Invoice & e-Receipt (6.30 hours)

Board Member/Management in Other Company/Organization/Institution

Listed Company –None–

Non-Listed Company –None–

5-Year Past Experiences and/or Remarkable Position

2017	General Manager – General and Tax Accounting (CPALL Group), CP All Public Co., Ltd.
2014	Deputy General Manager – General and Tax Accounting, CP All Public Co., Ltd.
2011	Assistant General Manager – Accounting, CP All Public Co., Ltd.

(%) shareholding* (as at December 31, 2020)

*Included Employee Joint Investment Program (EJIP)

- Held personally 0.00017*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Information of the Company Secretary

Mr. Supot Shitgasornpongse

67 years old

Position :

Company Secretary

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)

2014 Anti-Corruption: The Practical Guide

2004 Director Certification Program (DCP)

2003 Company Secretary Program

Board Member/Management in Other Company/Organization/Institution

Listed Company –None–

Non-Listed Company 16 Organizations:

- Director, CPRAM Co., Ltd.
- Director, Counter Service Co., Ltd.
- Director, CP Retailink Co., Ltd.
- Director, MAM Heart Co., Ltd.
- Director, ALL Now 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.
- Director, Thai Smart Card Co., Ltd.
- Director, ALL Wellness Co., Ltd.
- Director, ALL NOW LOGISTICS CO., LTD.
- Ethics Committee, Federation of Accounting Professions

5-Year Past Experiences and/or Remarkable Position

–None–

(%) shareholding* (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

- Held personally 0.00157*
- Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

The Company Secretary duties:

The Company Secretary shall perform duties according to Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, effective 31 August 2008, with responsibility, prudence and honesty as well as in compliance with the laws, Articles of Association and Objectives of the Company, resolutions of the Board of Directors and resolutions of the shareholders' meeting. The Company Secretary's roles and responsibilities and undertaking on behalf of the Company or Board of Directors are as follows:

1. Keep reports on interest filed by directors or executives and submit a copy of the report on interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within seven business days from the date on which the Company has received such report
2. Perform any other acts as specified in the Notification of the Capital Market Supervisory Board
3. Provide advice pertaining to legal, regulatory, and governance issues and practices related to the Board in accordance with the laws, Charter of the Board of Directors and Articles of Association of the Company
4. Organize the Board of Directors' meeting and shareholders' meeting
5. Coordinate between the Company's internal units to ensure compliance with the resolutions of the Board of Directors and resolutions of the shareholders' meeting
6. Coordinate with regulatory agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand and oversee the disclosure and reporting of information to the regulatory agencies and the public with accuracy and completeness in accordance with the laws
7. Organize orientation for newly appointed directors
8. Perform other duties as assigned by the Company

Detail of the Directors of Subsidiaries

	Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49				
Mr. Padoong Techasarintr	/																																																					
Mr. Pridi Boonyoung	/																																																					
Mrs. Nampung Wongsmith	/																																																					
Adj. Prof. Prasobsook Boondech	/															/																																						
Pol. Gen. Phatcharavat Wongsuwan	/																																																					
Mr. Soopakij Chearavanont	x																																																					
Mr. Korsak Chairasmisak	//							x //		//			x //	x //	//													x //																										
Mr. Suphachai Chearavanont	//																//																																					
Mr. Adirek Sripratak	//																																																					
Mr. Umroong Sanphasitvong	//							//		//						//	//											//																										
Mr. Narong Chearavanont	//															//	//											//																										
Mr. Prasert Jarupanich	//																//																																					
Mr. Pittaya Jearavisitkul	//	x //	x //	x //	x //	x //	x //	x //	x //	//		x //	x //	//	//		x //											//	x //																									
Mr. Piyawat Titasattavarakul	//		//	//	//	//	//	//	//	//		x //	//	//	//	//	//										//	//																										
Mr. Tanin Buranamant	//												//																																									
Mr. Wisade Wisidwinyoo		//																//																																				
Mr. Taweesak Kaewrathtanapattama		//	//	//	//	//	//	//	//	//			//	//	//	//	//									//	//																											
Mr. Vichien Chuengviroj																																																						
Ms. Lawan Tienghongsakul									//				//																																									
Mr. Yuthasak Pomsurakul																			//																																			
Mr. Vichai Janjariyakun																																																						
Mr. Kriengchai Boonpoapichart		//	//	//	//	//	//	//	//				//	//			//	//																																				
Mr. Ampa Yongpisarnpop																																																						
Mr. Wiwat Pongritsakda							//										//																																					
Mrs. Phaphatsorn Thanasorn																																																						
Mr. Ronnakitt Pajamapornchai																																																						

List of Subsidiaries as at end of Year 2020

Local Subsidiaries	Foreign Subsidiaries
1. CPRAM Co., Ltd.	26. Lotus Distribution Investment Limited
2. Counter Service Co., Ltd.	27. Successor Investments Limited
3. CP Retailink Co., Ltd.	28. Nanjing Zheng Yi Xin Trading Co., Ltd.
4. Gosoft (Thailand) Co., Ltd.	29. Successor (China) Investments Limited
5. MAM Heart Co., Ltd.	30. Albuera International Limited
6. ALL Now Management Co., Ltd.	31. Nanjing Tianqu Investment Management Co., Ltd.
7. Suksapiwat Co., Ltd.	32. Nanjing Tech University Puijiang Institute
8. Panyatara Co., Ltd.	33. Nanjing Tech University Pujiang Institute Educational Development Fund
9. Thai Smart Card Co., Ltd.	34. Indoguna Vina Food Service Co., Ltd.
10. Panyapiwat Institute of Management	35. Aro Co., Ltd.
11. Panyapiwat Technological College	36. Makro Cambodia Company Limited
12. All Training Co., Ltd.	37. CP Wholesale India Private Limited
13. All Corporation Limited	38. Indoguna (Singapore) Pte Ltd
14. OHT Co., Ltd.	39. Indoguna Dubai L.L.C.
15. Siam Makro Holding (Thailand) Ltd.	40. Just Meat Company Limited
16. Siam Makro Public Company Limited	41. Indoguna Lordly Company Limited
17. 24 Shopping Co., Ltd.	42. Makro (Guangzhou) Food Company Limited
18. CP Foodlab Co., Ltd.	43. MAXZI THE GOOD FOOD RESTAURANT & CAFÉ L.L.C.
19. Panyapiwat Institute of Management Demonstration School	44. Indoguna (Cambodia) Company Limited
20. Siam Food Services Limited	45. Aro Commercial Company Limited
21. Makro ROH Co., Ltd.	46. Guangzhou Huada Makro Food Supermarket Company Limited
22. ProMart Co., Ltd.	47. CP ALL (Cambodia) Co., Ltd.
23. ALL Wellness Co., Ltd.	48. ALL Convenience Logistic Co., Ltd.
24. ALL NOW LOGISTICS CO., LTD.	49. CP ALL Laos Co., Ltd.
25. ALL GUARDIAN CO., LTD.	

Remark : X = Chairman
 / = Director
 // = Authorized Director

Information of the Head of Internal Audit

Mr. Kidsada Euapiyachart

68 years old

Position

Secretary of Audit Committee

Vice President – Accounting and Finance

Education

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

Training by the Thai Institute of Directors Association (IOD)

2015 Anti-Corruption in Thailand: Sustaining the Momentum

2014 Anti-Corruption: The Practical Guide

2010 Audit Committee Program

2009 Company Secretary Program

Board Member/Management in Other Company/Organization/Institution

Listed Company –None–

Non-Listed Company –None–

5-Year Past Experiences and/or Remarkable Position

2000 – 2020 Vice President – Internal Audit, CP All Public Co., Ltd.

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

(%) shareholding* (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

Held personally 0.00094*

Held by spouse or minor children –None–

Family Relationship among Directors and Executives

–None–

Information of the Head of Compliance Unit

Mr. Arthit Paladja

37 years old

Position

Compliance

Appointment Date

January 1, 2020

Education

- Bachelor's Degree in Law, Ramkhamhaeng University

Training by the Thai Institute of Directors Association (IOD)

-None-

Board Member/Management in Other Company/Organization/Institution

Listed Company -None-

Non-Listed Company -None-

5-Year Past Experiences and/or Remarkable Position

2017 Assistant Legal Division Manager, CP All Public Co., Ltd.

(%) shareholding* (as at December 31, 2020)

* Included Employee Joint Investment Program (EJIP)

Held personally 0.00002*

Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Roles and Responsibilities of the Head of the Compliance Unit

The Compliance Unit is the center for governing the business operations of the Company and companies in the Group to be in accordance with the laws, regulations, Articles of Association of the Company, and policies and rules of related government agencies such as the Securities and Exchange Commission, the Stock Exchange of Thailand, the Ministry of Commerce, the Ministry of Labour and other government agencies related to the operations of the Company.

The Board of Directors has approved the Company Compliance Policy determining that the Company's Board of Directors, committees, executives, departments, offices or units and employees must perform their duties in accordance with the laws as well as has communicated that every employee is responsible for studying and understanding the laws and regulations pertaining to their responsible work and performing their duties correctly, completely and in strict compliance with rules and regulations.

Assets Used in Business Operations and Details about Property Appraisal Items

Assets used in Business Operations

Fixed Assets

As of December 31, 2020, fixed assets of the Company and subsidiaries that used in business operations are as follows;

Fixed Assets	Net Book Value (Million Baht)
Land	43,219
Buildings and building improvements and right of use asset improvements	39,439
Machinery and equipment	17,370
Furniture, fixtures and office equipment	7,509
Assets under construction and installation	8,465
Other Fixed Assets	4,197
Total Fixed Assets	120,199

Vehicles which included in other fixed assets of the Group with a net book value of 3 million baht have been placed as collateral for long-term loans from financial institutions.

Intangible Assets

As of December 31, 2020, intangible assets of the Company and subsidiaries that used in business operations are as follows;

Intangible Assets	Net Book Value (Million Baht)
Goodwill	128,096
Other intangible assets	51,706

Most of Goodwill and other intangible assets arose from the Company's purchase shares of Siam Makro Public Company Limited both directly and indirectly. Intangible assets consisted of limited useful life assets, including computer programs and customer databases with a useful life of 2-15 years and assets with indefinite useful life, including intellectual property and business license which is measured by net cost of accumulated impairment losses. The Company will test the impairment of such assets on a quarterly basis.

Right of Use Assets

As of December 31, 2020, Right of Use assets of the Company and subsidiaries that used in business operations are as follows;

Right of Use assets	Net Book Value (Million Baht)
Land	20,654
Buildings	30,637
Machinery and equipment	1,235
Furniture, fixtures and office equipment	47
Vehicles	326
Total Right of Use Assets	52,899

According to the implement of TFRS 16 Lease TFRS 16 which effective since January 1, 2020. The Group is required to recognize right of use assets and lease liabilities at the effective date of the lease, except for low value leases or short-term leases will be recognized as expenses on a straight-line basis over the term of lease. The right of use assets are measured at net cost of accumulated depreciation and accumulated impairment losses.

Investment in Associates and Subsidiaries Policy

The Company has an investment policy to invest in wholesale business, retail business and related businesses. The investment consideration are direct investment by the Company or having subsidiaries which operate related businesses as investors. The Company also has a policy to appoint a representative to serve as a director with controlling power in subsidiaries and associated companies in order to control and manage and align with the policy of the Company. The Company will receive subsidiaries' operating results on a monthly basis and will arrange meetings to consider the operating results and to determine the business direction.

As of December 31, 2020, the Company has investments in subsidiaries at amount of 201,010 million baht or 38.41 percent of total assets and investments in associates totaling 85,635 million baht, accounting for 16.36 percent of the Company's total assets.

Policy on Corporate Governance, Business Ethics, Charter of Sub-Committees, and Report of Sub-Committees

The details appear on the Company's website : www.cpall.co.th

1. Policy on Corporate Governance
2. Anti-corruption Policy
3. Codes of Business Ethics and Bounden Duties in Working
4. Charter of the Board of Directors
5. Charter of the Audit Committee
6. Charter of the Sustainability and Corporate Governance Committee
7. Charter of the Remuneration and Nomination Committee

Report of Sub-Committees in year 2020 is as follows;

- Report of the Sustainability and Corporate Governance Committee
- Report of the Remuneration and Nomination Committee
- Report of the Executive Committee
- Report of the Risk Management Executive Committee

Report of the Sustainability and Corporate Governance Committee

The Sustainability and Corporate Governance Committee, appointed by the Board of Directors of CP ALL Public Company Limited, comprises four directors, three of which are independent directors: 1. Adjunct Prof. Prasobsook Boondechas, Chairman of the Sustainability and Corporate Governance Committee, 2. Pol. Gen. Phatcharavat Wongsuwan, member, 3. Mr. Padoong Techasarintr, member, and one executive director, Mr. Umroong Sanphasitvong. Mr. Supot Shitgasornpongse, Company Secretary, serves as the Secretary of the Sustainability and Corporate Governance Committee. In addition, the Corporate Governance Sub-Committee and Sustainable Development Sub-Committee is made up of representatives from the Company's various business units, and together serve as mechanisms for carrying out the assigned duties of the Committee. The Committee acts independently within the scope of its responsibilities, as stipulated in the Committee Charter.

In 2020, the Sustainability and Corporate Governance Committee held a total of four meetings. Each meeting consists of the Committee, the Chairman of each of the Sub-Committees, executive management, and the Company's advisor, to report on company performance and provide suggestions. The performance of the Sustainability and Corporate Governance Committee is reported to the Board of Directors once every six months, and significant matters can be summarized as follows:

1. Approval for the modification of Business Ethics and Code of Conduct of CP All Public Company Limited and its subsidiaries

The Sustainability and Corporate Governance Committee approved the modification of Business Ethics and Code of Conduct of CP All Public Company Limited and its subsidiaries. The Corporate Governance Sub-Committee has reviewed on yearly basis, purpose to have more complete in term of information. The Board of Directors has already approved the modification of Business Ethics and Code of Conduct on February 19, 2020.

2. Approval for the modification of Corporate Governance Sub-Committee Charter

The Sustainability and Corporate Governance Committee approved the modification of Corporate Governance Sub-Committee Charter on January 30, 2020 in order to support the work field of Corporate Governance Sub-Committee to cover the Company's subsidiaries.

3. Approval of appointment of the Chairman and committees of Corporate Governance Sub-Committees

The Sustainability and Corporate Governance Committee appointed Ms. Lawan Tienghongsakul, Senior Vice President – Human Resource to be Chairman of the Corporate Governance Sub-Committees and appointed new Corporate Governance Sub-Committees as a consequence of committees' retirement and to maintain committees' performance.

4. Approval of appointment of the Chairman and committees of Sustainability Sub-Committees

The Sustainability and Corporate Governance Committee appointed Mr. Yuthasak Poomsurakul, Senior Vice President-Merchandising & Marketing to be Chairman of the Sustainability Sub-Committees and appointed new Sustainability Sub-Committees as a consequence of committees' retirement and to maintain committees' performance.

5. Approval of the Implementation of the Corporate Governance Policy and the Anti-Corruption Policy of 2020

The Sustainability and Corporate Governance Committee approved the Implementation of the Corporate Governance Policy and the Anti-Corruption Policy of 2020 and provided additional opinions and recommendations for more efficiency.

6. Approval of the operational direction, goal setting and sustainability development indicator of the Company in 2020

The Sustainability and Corporate Governance Committee approved operational direction, goal setting and sustainability development indicator of the Company in 2020 and provided additional opinions and recommendations for more efficiency.

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

The Sustainability and Corporate Governance Committee acknowledged the report on the implementation of the Corporate Governance Policy and Anti-Corruption Policy, which included the following matters:

- Conducted Business Ethics and Code of Conduct of the Company and its subsidiaries (revised version) and communicated for all executives and employees to acknowledge and follow
- Communication and awareness-raising for all employees to follow the Corporate Governance Policy and the Anti-Corruption Policy through many projects, including CG talk competition, Anti-corruption Awards 2019 with Corruption Journalists Association (Thailand), A video competition for Corporate Governance's Role Model, Q&A activity about Corporate Governance, Mister & Miss Good Governance knowledge sharing and attended online Anti-Corruption Day activity.
- Seminars and trainings the Corporate Governance and Anti-Corruption Policies for executives and all employees, including SBP and Sub Area stores through CG Online, along with participated knowledge evaluation through CG Quiz.
- Supported and disclosed employees' goodness and collected in the Company's Hall of Frame
- Grievances related to corporate governance and anti-corruption, together with the acknowledgement solution and anti-corruption prevention process.
- Maintained membership of Collective Action Coalition Against Corruption (CAC) for next three years until 2023 and conducted co-operation project with CAC to support and train for our SME's business partner to become CAC membership as well as developed them to have sustainable business, follow DJSI criteria
- The result of Corporate Governance of subsidiaries, including CPRAM Co., Ltd., CP Retailink Co., Ltd., Panyapiwat Technological College, 24 Shopping Co., Ltd., Panyatara Co., Ltd., All Training Co., Ltd.
- Report of CP ALL shares held by directors and management for each quarter

8. Acknowledgement of performance in accordance with the Sustainability policy and Sustainability practices

The Sustainability and Corporate Governance Committee acknowledged performance in accordance with the Sustainability policy and Sustainability practices as follow:

- Progress of operation which follow Sustainability direction and goal
- Operation of climate change management in order to reduce greenhouse gas (Low Carbon Cities)

- Annual ESG communication, including environmental management, society management and corporate governance management

9. Acknowledgement of good practice for the committee to determine business strategy for sustainability (ESG), arranged by IOD

The Sustainability and Corporate Governance Committee acknowledged good practice for the committee to determine business strategy for sustainability (ESG), arranged by IOD for the purpose of driving the Company with sustainability, lead to systematic operation. The Board of director acknowledged on November 11, 2020.

10. Acknowledgement of survey of corporate governance report of listed company in Thailand, 2019

The Sustainability and Corporate Governance Committee acknowledged survey of corporate governance report (CGR) of listed company in Thailand in 2019, arranged by IOD, purpose to use as an information for the committees to improve corporate governance and The Board of director acknowledged on February 19, 2020.

11. Acknowledgement of the score of 2019 Annual General Shareholder Meeting's quality assessment

The Sustainability and Corporate Governance Committee acknowledged the score of 2019 Annual General Shareholder Meeting's quality assessment, conducted by Thai Investors Association and SEC which the Company received 98 percent score, higher than previous year.

12. Acknowledgement of the Self-Assessment Report of the Sustainability and Corporate Governance Committee

The Sustainability and Corporate Governance Committee acknowledged the Self-Assessment Report of the Sustainability and Corporate Governance Committee for 2020 which received the excellent score of 98 percent which can be concluded The Sustainability and Corporate Governance Committee have performed all assigned duties in accordance with the duty in charter.

The Sustainability and Corporate Governance Committee prioritizes corporate governance and responsibility for society, communities, and the environment as this ensures that Company will strictly adhere to the Corporate Governance Policy, the Business Ethics and Professional Conduct Handbook, Anti-Corruption Policy, and Sustainability Policy and other related guidelines – in all of its operations. The Committee is committed to promoting and developing the organization for greater efficiency, while working upon the basis of transparency, ethics, benefits to society, reduce environmental impact and responsibility to all stakeholders.

On behalf of the Sustainability
and Corporate Governance Committee



(Adjunct Prof. Prasobsook Boondech)
Chairman of the Sustainability
and Corporate Governance Committee

January 22, 2021

Report of the Remuneration and Nomination Committee

CP All Public Company Limited's Remuneration and Nomination Committee performed duties with independency in accordance with its roles and responsibilities stipulated in the Charter of the Remuneration and Nomination Committee, as well as principles and good corporate governance guidelines provided by the Securities and Exchange Commission together with Stock Exchange of Thailand.

At present, the Remuneration and Nomination Committee comprises with 2 independent directors, namely Police General Phatcharavat Wongsuwan, Chairman of the Remuneration and Nomination Committee, and Mr. Padoong Techasarintr as member of the Remuneration and Nomination Committee, together with one non-executive director, namely Mr. Suphachai Chearavanont as member of the Remuneration and Nomination Committee. Ms. Lawan Tienghongsakul, Senior Vice President – Human Resource is the Secretary of the Remuneration and Nomination Committee.

In 2020, the Remuneration and Nomination Committee have been held for 2 meetings by all 3 directors have completely attended the meeting. The Remuneration and Nomination Committee performance was summarized and reported 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 and in line with the company business strategy of Board Skill Matrix. The consideration based upon professional qualifications, skills, age, gender, race, religion, origin, experiences, knowledge, skill from diverse occupations and specific competencies which are required, including the performance as director in the past. Meantime, only member of the committee who has no interests considered the appropriate nominees to recruit for the position of the directors in replacement of those whose term of office has come to an end. The committee has already appointed 5 directors who will be retired since the Annual General Meeting of Shareholders 2020. The Board of Directors approved the proposal and it was of the opinion that the Meeting of Shareholder for year 2020 should re-elect the five nominees who retire by rotation to be directors of the Company for another term because those five nominees possess competencies, knowledge, experiences that will be of advantages to the Company and creating benefits to the company. In addition, the Remuneration and Nomination Committee provided minor shareholders with opportunities to nominate directors during September 20 to December 31, 2019 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 2020. The Board of Directors approved the proposal of the Remuneration and Nomination Committee on February 19, 2020, then the Annual General Meeting of Shareholders on July 16, 2020 approved to appoint five directors who retire by rotation to be directors of the Company for another term.

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 2020 by taking into account the following matters i.e. conformity with the market in the same industry, past performance, experiences, duties, role and responsibilities, including the business expansion, the Company's

financial position and the operating results. The Nomination and Remuneration Committee propose Director's remuneration in 2020 at the same rate as approved by the Annual General Shareholder Meeting for year 2019 to the Board of Director Meeting for consideration as appropriate before propose to the Annual General Shareholder Meeting for the approval respectively. The Annual General Shareholder Meeting for year 2020 was approved Director's remuneration as proposed by the Board of Director of the Company on July 16, 2020.

The Nomination and Remuneration Committee has considered the 2020 monthly remuneration and gratuity of Chairman of the Executive Committee, and Managing Director and Chief Executive Officer by taking into account the following matters i.e. conformity with the leading company in large scale in Thailand as well as leading retail company in Asia. It is of the opinion that the remuneration should be in compliance with the management incentive plan (MIP) as approved by the Company's Board of Director. Not only the above mention matters i.e. KPI and original goal of the outcome that taking into consideration for the special gratuity to members of the Executive Committee, but also the customer's satisfactory and return to shareholders were equipped. Furthermore, to determine the 2020 gratuity, the Nomination and Remuneration Committee were incorporated additional factor to MIP in relation to the criteria of member selection of DJSI in accordance with sustainability development context.

3. Implementation of the successor plan of senior executives

The Remuneration and Nomination Committee has considered and acknowledged the implementation of the successor plan of senior executives in order to affirm which the Company has successors for senior executives and significant leaders position to sustain business growth which also is risk management in terms of human capital management, including the personnel improvement to prepare to be future senior executives through a systematic and continuous improvement process.

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

According to the Remuneration and Nomination Committee's Performance in 2020, in comparison with the Charter, it could be summarized that the Remuneration and Nomination Committee performed its duties effectively with 100 percent of total score 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

January 27, 2021

Report of the Executive Committee

The Executive Committee, by appointment of the Board of Directors, consists of 9 members, 5 of whom are Company directors: 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, and 5. Mr. Tanin Buranamanit, and 4 of whom are executives from the Company or its subsidiaries: 1. Mr. Wisade Wisidwinyoo, 2. Mr. Taweesak Kaewrathtanapattama, 3. Mr. Vichien Chuengviroj, and 4. Ms. Lawan Tienghongsakul. Mr. Supot Shitgasornpongse, Company Secretary, serves as the Secretary to the Executive Committee.

The Executive Committee performed its duties and responsibilities within the scope specified by the Board of Directors. In 2020, the Executive Committee held a total of 12 meetings, 12 of which were scheduled, and 1 of which were special meetings. Each meeting was attended by executives from the Company and its subsidiaries, including Company advisors, with the objectives of reporting on performance, proposing information related to the meeting agenda for consideration and approval, and providing recommendations. The performance of the Executive Committee is summarized and reported to the Board of Directors annually. Key issues addressed by the Committee can be summarized as follows:

1. Consider the 2021 objectives, business targets, visions, missions, strategies and plans of the Company and its subsidiaries, including budgets and investment projects, before submitting them to the Board of Directors for approval, as well as revise the 2020 budget of investment projects for the Company and its subsidiaries to be in line with the change of economic conditions.
2. Monitor the performance of the Company and its subsidiaries on a monthly and quarterly basis, as well as the progress of investment projects, and acknowledge reports on performance, including any problems or obstacles that occur, and provide recommendations for improvement to enhance operational efficiency.
3. Consider monthly reports on risk management and risk responses, covering both existing and new risks such as business risks, emerging risks, and sustainability risks, including the risk from the outbreak of COVID-19, cybersecurity risk, and the impact on business continuity (BCM) before presenting to the Board of Directors for consideration which acknowledgment half-yearly.
4. Consider determination of a model of leadership (ALL Model) to be used to develop company executives to lead the organization to grow with stability and sustainability in the future, including adjustment of the Company's management and organizational structure, monitor human resources development performance according to executive succession plans; executive appointments and transfers according to the Manpower Plan; determine criteria for the compensation and performance assessments of top executives, and consider management plans on knowledge and value-transfers for top executives prior to their retirement.
5. Consider the analysis of the global and Thai economic conditions, and the forecast for the future; as well as information technology changing rapidly from experts and specialists in order to adjust strategies and plans of the Company and subsidiaries to be in line with the changes.
6. Screen large investment projects by the Company and its subsidiaries that are valued at more than 200 million baht. Investment projects that are valued at less than 500 million baht will be submitted to the Chairman of Executive Committee for approval, and investment projects that are valued at more than 500 million baht will be submitted to the Board of Directors for approval.
7. Consider and approve the signing of a memorandum of cooperation between the Company and the National Science and Technology Development Agency (NSTDA) in research work to find compostable food containers.

8. Consider and approve the signing of a Master Franchise Agreement with 7-Eleven, Inc. to invest in establishing and operating 7-Eleven stores in Cambodia and Lao People's Democratic Republic before presenting to the Board of Directors for further approval including considering the progress of the investment project.
9. Consider and approve the amendment of Clause 3 of the Memorandum of Association of the Company previously there were 93 amendments to 96 items and requested amendments to the objectives (8) (47) (50) and (92) to accommodate the types of trade and businesses that will be further operated in the future before presenting to the Board of Directors and the shareholders' meeting for further approval.
10. Consider acknowledging the results of the Corporate Governance Survey of Thai Listed Companies (CGR) for the year 2020 conducted by the Thai Institute of Directors Association (IOD), where the company is rated 5 stars or excellent criteria, and that the company has been selected as a member of the Dow Jones Sustainability Index for both World Index and Emerging Market Index.
11. Consider and acknowledge the minutes of the 2020 Board of Directors' meetings to bring opinions and recommendations of the directors to improve the operations of the Company and its subsidiaries to be appropriate in the future.
12. Consider and approve the person responsible for supervising the operations to be in accordance with the conditions of the consideration of the application for business combination permission between CP Retail Development Co., Ltd., and Tesco Stores (Thailand) Co., Ltd., and Tesco Stores (Malaysia) Sdn. Bhd.
13. Acknowledge the 2020 self-assessment score report of the Executive Committee which received 87 percent in an excellent score and 13 percent in a good level which was better than last year.

On behalf of the Executive Committee



(Mr. Korsak Chairasmisak)
Chairman of the Executive Committee
January 27, 2021

Report of Risk Management Committee

The Company has appointed a Risk Management Committee with a Risk Management Unit and a Corporate Legal & Compliance Unit as a key operational mechanism to support the Board of Directors in order to overseeing the risk management of the organization as well as business continuity management. The Company holds that everyone, including the board of directors, managers, and employees are liable to risks and therefore are held responsible to study, analyze, and evaluate opportunities and the severity of impact of various risks that can affect the Company's business. To limit and prevent risks, a risk control plan must be established in line with the goals, objects, and strategic direction of the company. This plan must also include an evaluation of risk management effectiveness and follow up measures to assess variable risk factors, reported to the Audit Committee and the Board of Directors. Therefore, a comprehensive review of risk management policies and guidelines occurs twice a year, so that the company has a risk management system that aligns with the overall direction of the organization. In addition, risk management becomes an integral part of the company's decision-making, strategic plans, and operations, resulting in an effective, sustainable outcome.

Risk Management Committee Performance for 2020:

1. Review the risk management framework to ensure effective compliance in all departments. The company holds that risk management is an integral part of the organization's strategic plan and operations. Therefore, the company has appointed a corporate strategy committee consisting of representatives for strategy, budget, human resources, sustainability, and risk management to evaluate the organization's strategic plan, risk management plan, and various operation for maximum efficiency and effectiveness in 2021.
2. There is a risk score evaluation process that measures the risk management capacities of different departments. This includes quarterly recommendations for the development and improvement of risk management systems in all of CP ALL's departments. Departments that achieve good performance continuously are praised and given recognition by the Enterprise Risk Manager and the Chief Executive Officer. In addition, learning points are shared with risk managers for further application.
3. A seminar is organized for risk managers, or Risk Champions, every quarter in order to increase the awareness and skill levels of risk managers in all CP ALL departments. Thus, risk managers will be able to keep up with situations of risk, strategically, managerially, financially, legally, with good governance, and sustainably. In total, 400 people participated in these risk management seminars.
4. A meeting is organized to provide organizational crisis recommendations to the management team daily. The Monday Performance Review evaluates the risk situation and important risk management factors due to COVID-19 as well as other factors that may affect business operations.
5. Important risks are reported to a board meeting twice a year.

The risk management committee compiles a risk performance report which includes significant risk issues that may affect the Company's business operation and stakeholders i.e. operation risk, sustainability risk, and emerging risk, including an image that may undermine the confidence of customers, investors and related parties on regular meetings of the Audit Committee and the Board of Directors, as well as formulate a risk management and control plan to find ways to continuously improve the effectiveness of risk management operations.

In the event of urgent of significant change such as COVID-19 pandemic risks, cybersecurity risks, etc., the risk management departments and regulatory agencies. There were a risk review and report to the Risk Management Committee to define important control measures and report a special agenda to the Audit Committee and the Board of Directors for immediate consideration.



(Mr. Korsak Chairasmisak)
Chairman of the Risk Management 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 as well as economics which the knowledge of the aforementioned areas supports the Audit Committee to perform their duties efficiently. The Audit Committee members have composition and qualifications according to the regulations of the Stock Exchange of Thailand, comprising of Mr. Padoong Techasarintr, Chairman of the Audit Committee, Mr. Pridi Boonyoung and Mrs. Nampung Wongsmith as members of the Audit Committee. Mr. Kidsada Euapiyachart, Vice President – Internal Audit is the secretary of the Audit Committee.

The Audit Committee had performed the duty independently within the boundary of the roles and responsibilities as stated in the Audit Committee Charter with compliance to guidance on good practice of corporate governance from the Securities and Exchange Commission Thailand. 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, effective risk management as well as efficient and appropriate internal control and audit system 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.

In 2020, the Audit Committee held a total of 13 meetings and all of the Audit Committees were attended every meetings. 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. The Audit Committee was reported its performance 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 2020 in order to consider the financial reports, the disclosure of information in the notes to financial statements, special transactions, accounting revision 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 and appropriation of the internal control system of the Company's operations. 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. Monitoring and solving the material issues according to internal auditors and financial auditors' recommendation were made. In every year the Audit Committee has reviewed and approved annual plan which embedded the Company's business strategic direction and corporate risks, as well as providing beneficial suggestion regarding the internal control system of the Company.

The Audit Committee had an opinion that the internal control system of the Company was efficient, appropriate and adequate for the business. Additionally, the Company's internal control system is independent and the audit plan is in line with business strategy and corporate risks.

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, as well as the Key Risk Indicator (KRI) as an early warning system to track variation in several factors on unexpected situations as well as be able to respond in time and efficient to the rapid change of the current situation. The situation of the COVID-19 pandemic that occurred, the Company had assessed the situation and the risks that may arise from time to time. In addition, the operational guidelines were set in accordance with the social distancing measure in accordance with the government measures strictly, as well as adjusted the business strategy according to the rapidly changing situation and explored the business opportunities from this crisis so that the operation can be continuously uninterrupted. 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 had conducted an annual review of their works and self-evaluation according to the good corporate governance principles. According to the evaluation result the Audit Committee effectively performed their duties in accordance with the scope of duties responsibilities as well as regularly reviewed the Audit Committee Charter to comply with Corporate Governance.
7. 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 sustainability and governance process for more efficient and effective execution. Meantime, the Company conducted its business with transparency and in accordance with the corporate governance principles, as well as promoting the prevention of anti-corruption. There are channels for receiving complaints and reporting fraud clues or the performance of work that is contrary to business ethics (Whistleblowing). The Company considered and screened complaints that be fair to all parties as well as having protection measures by not disclosing the information informant and keeping it confidential. The Company also supported anti-corruption by participating in the Collective Action Coalition Against Corruption (CAC) and the Company received the renewed certification of Thailand's Private Sector Collective Action Coalition Against Corruption for the first time on June 30, 2020. The Company encouraged its business partners to join the Small and Medium Enterprises (SME) certification program of Collective Action Coalition Against Corruption which is another project that will enhance the corporate governance of the company even further.
8. 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 2021 with the total fees of 5,970,000 baht.

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.

On behalf of the Audit Committee



(Mr. Padoong Techasarintr)
Chairman of the Audit Committee
January 20, 2021





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