CP ALL PUBLIC COMPANY LIMITED

56-1 ONE REPORT

ANNUAL REPORT 2021

Giving and Sharing Opportunities

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

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

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Summary of Financial information

For Fiscal Years Ending December 31,

CP ALL Public Company Limited and its Subsidiaries

Consolidated Financial Information (Million Baht)	2019	2020	2021
Net Sales and Services Income	550,901	525,884	**565,207**
Total Revenues	571,110	546,590	**587,597**
Net Profit	22,343	16,102	**12,985**
Net Cash Provided by Operating Activities	40,477	39,148	**46,319**
Total Assets	375,617	523,354	**931,893**
Total Liabilities	267,250	411,759	**639,085**
Total Equity	108,368	111,595	**292,807**
Share Information (Baht)	**2019**	**2020**	**2021**
Book Value per Share	12.06	12.42	**32.60**
Earnings per Share	2.38	1.68	**1.33**
Dividend per Share	1.25	0.90	**0.60**
Financial Ratios (Percentage)	**2019**	**2020**	**2021**
Gross Margin (Sales and Services)	22.7	21.9	**21.3**
EBIT Margin	5.9	5.1	**3.2**
Net Profit Margin	3.9	2.9	**2.2**
Net debt to equity (times)	1.06	2.26	**1.25**
Net debt to equity as determined in the bond covenants (times)*	0.94	1.62	**0.90**
Net Debt to EBITDA (times)	2.56	4.16	**6.40**
Return on Total Assets	6.0	3.6	**1.8**

Remark

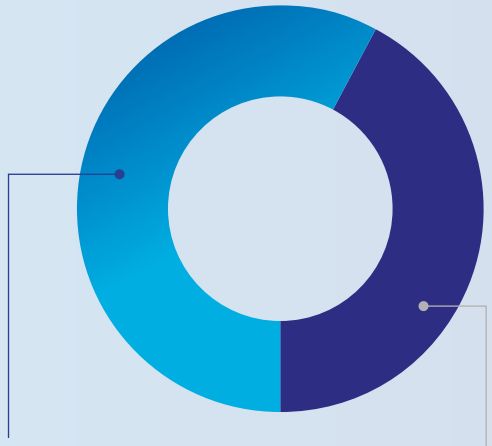
* The Company is obligated to comply with debenture covenants, by monitoring Net Debt to Equity Ratio. The ratio bases on the information in the consolidated financial statements for the accounting period ending on December 31 of each accounting period that the auditor has audited.

** Dividend payment for 2021 shall be further proposed to the shareholder's meeting on April 22, 2022 for approval.

Revenue and Earnings Before Tax

Based on Business Segments*

Revenue Contribution*



58% CVS and Others

42% Grocery Wholesaling & Retailing

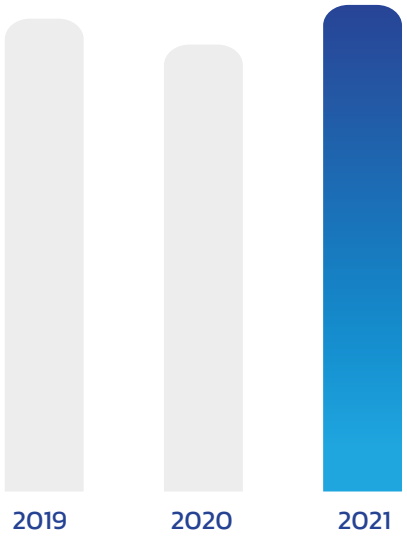
Earnings Before Tax Contribution*

58% CVS and Others

42% Grocery Wholesaling & Retailing

* Revenue and earnings before tax before elimination

Total Revenue



2021
587,597 Million Baht

Net Profit

2021
12,985 Million Baht

All Convenience

Convenience and complete in one place

CP ALL enhances shopping convenience with its new platform **"ALL Online by 7-Eleven,"** offering a department store near wherever you live to satisfy the needs of modern customers with one-stop convenience. Selecting a wide variety of products and services to serve anywhere and anytime, reinforcing 7-Eleven to be the all-convenient store close to every community.

Adapting Businesses for Digital Life

CP ALL dares to think different, developing its business to fit the rapidly changing of modern digital world with innovations such as **7-Eleven Delivery, e-Wallet, and Vending Machines** to make eating and living in a healthy way is more convenient than ever from every channel. CP ALL aligns business adaptation with the intention to spread happiness and good opportunities to all Thais.

VENDING CAFE
truemoney
wallet
แทนเงินสด ลดสัมผัส
KEEP YOUR DISTANCE
STAND HERE

Sustainable Development towards Zero Waste-Carbon Neutral

In the midst of climate change and rising global temperatures, CP All is committed to its **'7 GO Green'** strategy. Sustainable practices will be expanded to its supply chain for the purpose to reduce waste and carbon dioxide emissions move toward Carbon Neutral-by 2030.

Message from the Chairman and the Chairman of the Executive Committee

The Company and our employees have been putting a lot of effort to overcome all the challenges in order to maintain our business growth and take care of all the stakeholders throughout our value chain.

Mr. Soopakij Chearavanont
Chairman
CP ALL Public Company Limited

In the course of the prolonged pandemic situation, the global volatility lingers. This led to the economic slowdown and the decreased purchasing power owing to the lockdown policy. In this 'New Normal', Thai retail market is facing with the most challenging time.

The Company and our employees have been putting a lot of effort to overcome all the challenges in order to maintain our business growth and take care of all the stakeholders throughout our value chain. As the health and well-being of our employees and customers are our priority, we have been applying a strict hygiene measures along with supporting the vulnerable groups of people such as children, the elderly, and the handicapped through 'Thais Stay Together' Project. With Gratitude, we would like to compliment our employees for their spirit and support of the project aiming to strengthening the safety and well-being of all the Thai people.

The year 2021 marked a key milestone for the Company and the Asian retail and wholesale business. The merger between Siam Makro Public Company Limited, a subsidiary of the Company, and CP Retail Development Company Limited (Lotus's Group) brought together the B2B (Business to Business) leader and B2C (Business to Consumer) leader to enhance the Group's O2O (Offline to Online) strategy. This will not only strengthen our regional and global competitiveness, but also bring about a prospect business performance and a modernized retail and wholesale industry.

Another exciting milestone is the first 7-Eleven convenience store's launch in Phnom Penh, Cambodia in August 2021. Provided the Company's reputation in Thailand together with the premium quality of the products offered, the newly opened store received a warm welcome from customers despite the widespread of COVID-19 in Cambodia. This success fueled the Company with confidence in our store expansion in Cambodia and Laos.

Amidst of the pandemic's impact, the Company stayed focused on serving our customers by being resilience and

On behalf of the Board of Directors, executives, and all employees, we would like to express our sincere appreciation to all stakeholders for their continued support and great cooperation on managing the risks and overcoming all challenges faced.

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

proactive. Our joint forces among multi-industry network, including the cooperation with government and business partners, have brought about a collective knowledge and agility to adjust our strategies according to fast changing situations. In particular, the '7-Eleven' business is constantly being developed and expanded to ensure that convenience is served to over 14 million customers nationwide. Under the concept of 'All Convenience' and the slogan 'One-stop Convenience', the Company synergized the offline strength of our store network with our 7-Delivery and All Online service to match the digital lifestyle of consumers. This new customer experience created a differentiation and yielded a strong business result in 2021. The Company's total revenue has grown steadily to 587,597 million baht with a net profit of 12,985 million baht. Our financial stability was well achieved by managing cash flow, capital structure and sufficient liquidity.

More than 34 years, the Company has stayed devoted to our sustainable business vision; Being an organization that operates for the better of the community, economy, and environment. We adhere to good corporate governance and the statutory rights of all stakeholders. CPAll has been a member of the Dow Jones Sustainability™ World Index for the fourth consecutive year and the leader of the Food and Staples Retailing sector in 2021. This reflected our determination to support sustainability and provide assurance and confidence among our investors, business partners, and customers.

On behalf of the Board of Directors, executives, and all employees, we would like to express our sincere appreciation to all stakeholders for their continued support and great cooperation on managing the risks and overcoming all challenges faced. Guided by 'create and share opportunities for all' resolution, we are confident that we will continue to grow sustainably by creating benefits to community and country.

Board of Directors

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

Police General Phatcharavat Wongsuwan
- Chairman of Remuneration and Nomination Committee
- Member of Sustainability and Corporate Governance Committee
- Independent Director

Mr. Padoong Techasarintr
- Chairman of Audit Committee
- Member of Sustainability and Corporate Governance Committee
- Member of Remuneration and Nomination Committee
- Independent Director

Mr. Pridi Boonyoung
- Member of Audit Committee
- Independent Director

Mrs. Nampung Wongsmith
- Member of Audit Committee
- Independent Director

Professor Dr. Kittipong Kittayarak
- Independent Director

Mr. Soopakij Chearavanont
- Chairman

Mr. Korsak Chairasmisak
- Vice Chairman

Mr. Suphachai Chearavanont
- Vice Chairman
- Member of Remuneration and Nomination Committee

Mr. Adirek Sripratak
- Director

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

Mr. Narong Chearavanont
- Director

Mr. Prasert Jarupanich
- Director

Mr. Pittaya Jearavisitkul
- Director

Mr. Piyawat Titasattavorakul
- Director

Mr. Tanin Buranamanit
- Director

Executive Committee

Mr. Korsak Chairasmisak
- Chairman of Executive Committee

Mr. Pittaya Jearavisitkul
- Vice Chairman of Executive Committee

Mr. Piyawat Titasattavorakul
- Vice Chairman of Executive Committee

Mr. Umroong Sanphasitvong
- Member of Executive Committee

Mr. Tanin Buranamanit
- Member of Executive Committee

Mr. Wisade Wisidwinyoo
- Member of Executive Committee

Mr. Taweesak Kaewrathtanapattama
- Member of Executive Committee

Mr. Vichien Chuengviroj
- Member of Executive Committee

Ms. Lawan Tienghongsakul
- Member of Executive Committee

Executive Officers

Mr. Tanin Buranamanit
- Chief Executive Officer

Mr. Yuthasak Poomsurakul
- Managing Director (Co)

Mr. Vichai Janjariyakun
- Managing Director (Co)

Mr. Taweesak Kaewrathtanapattama
- Senior Vice President - Accounting and Finance

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

Ms. Lawan Tienghongsakul
- Senior Vice President - Human Resource

Mr. Kriengchai Boonpoapichart
- Senior Vice President - Accounting and Finance, and Chief Financial Officer

Mr. Ampa Yongpisanpop
- Senior Vice President - Distribution Center Function

Mrs. Nipaporn Ackarapolpanich
- Senior Vice President - Marketing

Mr. Thupthep Jiraadisawong
- Senior Vice President - Operation

Mr. Wiwat Pongritsakda
- Vice President - Information Technology

Mrs. Phaphatsorn Thanasorn
- Vice President - Purchasing

Mr. Ronnakitt Pojamarnpornchai
- Vice President - Accounting and Finance, and Deputy Chief Financial Officer

Part 1

Business and Operating Performance

Business Structure and Operating Performance

1. Business Structure and Operating Performance

1.1 Policy and Business Overview

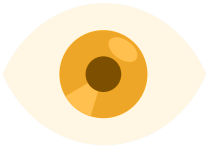
CP ALL Plc. ("the Company", "CPALL") was established in 1988 to operate a convenience store as a main business under the "7-Eleven" trademark in Thailand. Later, the Company expanded its business by operating various businesses to support the convenience store business which is the main business. As well as investing in wholesale and retail 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:

CORPORATE PHILOSOPHY

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



VISION

We serve convenience to all communities.

MISSION

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

1.1.2 History and Key Milestones

1988

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

1989

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

1994

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

1996

- Established C.P. Retailing and Marketing Co., Ltd. to operate the business of manufacturing and distributing of ready-to-eat food and bakery products

1997

- Officially opened Bang Bua Thong distribution center

1998

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

1999

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

2000

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

2001

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

2002

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

2003

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

2004

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

2005

- Celebrated the 3,000th store of 7-Eleven

2006

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

2007

- Established Panyapiwat Institute of Technology
- Changed the Company's name to **"CP ALL Public Company Limited"** and changed trading symbol to "CPALL"

2008

- Completed the restructuring of supercenter business in the PRC

2009

- Celebrated the 5,000th 7-Eleven store and moved towards convenience food store
- Became the first listed company in the Stock Exchange of Thailand in establishing an Employee Joint Investment Program (EJIP)
- Opened a regional distribution center in Surat Thani

2010

- Officially opened the second chilled distribution center in Suvarnabhumi
- Completion of assets disposition regarding a connected transaction on the investment in convertible preferred shares (CPS) issued by C.P. Lotus Corporation (C.P. Lotus) to C.P. Holding (BVI) Investment Company Limited (CPH). CPH paid cash for CPS in the amount of HKD 966.5 millions, equivalent to Baht 3,787.7 million
- Changed the name "Panyapiwat Institute of Technology" to "Panyapiwat Institute of Management"

2011

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

2012

- Officially opened the regional distribution center in Lampoon
- Changed the name "Panyapiwat Techno Business School" to "Panyapiwat Technological College"

7,000 stores

2013

- Celebrated the 7,000th store of 7-Eleven in Thailand
- Acquired Siam Makro Public Company Limited
- Achieved an inaugural bond issuance of Baht 50,000 million, the biggest issuing size of Thailand corporate bond
- Awarded Best-of-the-Best Retailers 2013, Asia Pacific, presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG

8,000 stores

2014

- Celebrated the 8,000th store of 7-Eleven in Thailand
- Established 24 Shopping Co., Ltd., operating on-line business
- Recognized by Forbes Magazine as the only Thai company to be ranked on the Forbes World's Most Innovative Companies

2015

- 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
- Officially opened the regional distribution center in Chonburi and opened the distribution center for frozen products in Chiangmai

9,000 stores

2016

- Celebrated the 9,000th store of 7-Eleven
- Issued a new subordinated perpetual debenture for the first time totaling Baht 10,000 million
- Established an indirect subsidiary which operate a research and development in food, namely CP Foodlab Co., Ltd.
- Established a demonstration school of "Panyapiwat Institute of Management", which the curriculum allows high school students
- Awarded as Thailand's Most Admired Brand 2016 for four consecutive years from the research organized by BrandAge and selected as the leader among convenience store retailers
- Awarded as Marketeer No.1 Brand Thailand 2015-2016 in the convenience store category and frozen food product category under "Ezygo" brand.
- Received Energy-Saving Building-1st Level Badge in school and convenience store category from Metropolitan Electricity Authority in MEA Energy Saving Building Award 2015.
- Received Excellence in Consistent TPM Commitment 2015 for CPRAM Co., Ltd. The award was presented by Japan Institute of Plant Maintenance (JIPM). 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).

10,000 stores

2017

- Celebrated the 10,000th store of 7-Eleven
- Admitted to the 2017 Dow Jones Sustainability Index (DJSI) Emerging Markets in the category of Food & Staples Retailing. CPALL is the sole Thai and Asian firm to be selected in this category.
- Certified as Private Sector Collective Action Coalition Against Corruption Council ("CAC") Member Company organized by Thai Institute of Directors (IOD)
- Awarded as Thailand's Most Admired Brand 2017 for five consecutive years by BrandAge in retail category

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.
- Established ALL Wellness Co., Ltd.
- Officially opened the regional distribution center in Burirum
- 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 FTSE Good ASEAN 5
- Admitted as a member of theThailand Sustainability Investment (THSI), as well as received the Sustainability Report Award at an outstanding level
- Admitted as the 23rd of the "World's Most Innovative Companies" in Top 100 global companies by Forbes in collaboration with Jeff Dyer, and Hal Gregersen.

11,000 stores

2019

- Celebrated the 11,000th store of 7-Eleven
- 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., and Dynamic Management Co, Ltd., 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 in Hatyai 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. 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 FTSE Good ASEAN 5
- Admitted as a member of the Thailand Sustainability Investment (THSI for the second consecutive, and received SET Awards 2019 in category of Sustainability Excellence for Highly Commended
- Awarded as Most Engaged Official Account and Most Used Sponsored Stickers from Line Thailand Awards 2019

12,000 stores

2020

- Celebrated the 12,000th store of 7-Eleven
- Acquired shares or economic interest of up to 40 percent of the total issued shares in (a) Tesco Store (Thailand) Co. Ltd., 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 totally of Baht 85,635 million made through C.P. Retail Holding Co. Ltd., which wholly owns the share capital of C.P. Retail Development Co. Ltd. Later, Tesco Store (Thailand) Co. Ltd. and Tesco Stores (Malaysia) Sdn. Bhd. were completed the registration of changed its juristic person name to "Lotus's Store (Thailand) Company Limited" and "Lotuss Stores (Malaysia) Sdn. Bhd." respectively.
- 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 April 1, 2020 to September 30, 2020.The Company did 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, 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.
- 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.

13,000 stores

2021

- Celebrated the 13,000th store of 7-Eleven
- Issued debentures No. 1 and 2/2021 totaling Baht 87,900 million to repay debts from financial institutions and issued perpetual subordinated debentures No. 1/2021 amounting to Baht 10,000 million for the redemption of perpetual subordinated debentures No. 1/2016.
- Restructured its investment in All Now Management Company Limited, a subsidiary company by disposing a portion of existing shares up to 90 percent of the registered capital. This resulted in a cessation of the Company's subsidiary. The Company still holds direct shares of 10 percent in that company.
- Invested up to 10 percent of the total registered capital of Egg Digital Company Limited, which operates business with regards to electronic commerce, marketing media services and other services relating to data.
- On October 25, Siam Makro Public Company Limited ("Makro"), a subsidiary of the Company, acquired in CP Retail Development Company Limited ("Lotus's") by way of accepting an entire business transfer from CP Retail Holding Company Limited ("CPRH"). Makro paid CPRH in its newly issued ordinary shares instead of cash in this transaction. Subsequently, CPRH registered for its dissolution and delivered the shares it received from Makro to CPRH shareholders, which consists of the Company, Charoen Pokphand Holding Company Limited, and CP Merchandising Company Limited, according to shareholding proportions. Furthermore, the three shareholders jointly disposed of some of their ordinary shares in Makro as well as made a public offering of Makro in accordance with relevant rules and regulations. This will increase the distribution of shares to Makro's minority shareholders. Ultimately, after Makro's public offering, the Company holds 59.92 percent of Makro's remaining shares; Makro remains a subsidiary of the Company.
- Selected as a member of the Dow Jones Sustainability Index in the category of World Index for the 4th consecutive year in the Food & Staples Retailing industry as well as a member of the Emerging Markets Index for the 5th consecutive year; it is well-recognized as a leader in the industry
- Selected as a member of the FTSE4 Good Index for the 4th consecutive year with scores above the industry average in all dimensions.
- Received a 5-star rating, which means "excellent" in a survey on the corporate governance of Thai listed companies (CGR) by the Thai Institute of Directors Association (IOD).
- Received the SET Awards 2021 in the Sustainability Excellence category within the Highly Commended in Sustainability Awards category. It was also a member of the Thailand Sustainability Investment (THSI) Stock Index in the Services category for the 4th consecutive year.
- Received the IR Magazine Awards – South East Asia 2021 in the category of "Best Overall Investor Relations (Large Cap)" for the second year in a row.

1.1.3 The Use of the Proceeds from the Fundraising comply with the Purposes as Disclosed; those are

(1) Use of proceeds from an issuance of equity or debt securities issued during 2021

(1.1) CPALL Public Company Limited Debentures No.1/2021

Use of Proceeds	Estimated Amount	Estimated Term Duration	Description / Progress in Use of Proceeds
To repay borrowing from financial institutions	Baht 21,900 million	Term due in March 2021	Repaid of borrowing from financial institutions according to the objective of issuance

(1.2) CPALL Public Company Limited Debentures No.2/2021

Use of Proceeds	Estimated Amount	Estimated Term Duration	Description / Progress in Use of Proceeds
To repay borrowing from the issuance of debentures and borrowing from financial institutions	Not exceed Baht 65,000 million	Term due in year 2021	Repaid of matured debentures and borrowing from financial institutions according to the objective of issuance
Others	Not exceed Baht 10,000 million	Term due in year 2021	To use as business working capital

(1.3) CPALL Public Company Limited Subordinated Perpetual Debentures No.1/2021

Use of Proceeds	Estimated Amount	Estimated Term Duration	Description / Progress in Use of Proceeds
To repay borrowing from the issuance of subordinated perpetual debentures No.1/2016	Baht 10,000 million	Term due in year 2021	Repaid of early redemption of subordinated perpetual debentures No.1/2016 according to the objective of issuance

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, 2021, 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.

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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	2019		2020		2021	
	Million Baht	percent	Million Baht	percent	Million Baht	percent
Convenience store (7-Eleven)	361,034	59	328,530	55	320,479	50
Grocery Wholesale and Retail businesses* (Makro & Lotus's)	210,629	34	218,762	37	273,149	42
Others**	45,403	7	46,350	8	51,660	8
Total revenue	**617,066**	**100**	**593,642**	**100**	**645,288**	**100**

* As at October 25, 2021, Siam Marko Plc. completely acquired C.P.Retail Development Co.,Ltd. and its subsidiaries (Lotus's), consequently, Siam Makro has covered in three main businesses i.e. wholesale business, retail business, and leasing space.

** 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, including the right to operate 7-Eleven stores in Cambodia and the Lao People's Democratic Republic under the Master franchise agreement.

For the retail business operation in Thailand, particularly 7-Eleven convenience store, 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 2021, the Company has a total of 13,134 stores. In addition, in 2021, the company has started to open 7-Eleven stores in Cambodia already.

Types of 7-Eleven Stores

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

(Unit : stores)	2019	2020	2021	No. of new store openings in 2021
Corporate Stores	5,215	5,685	6,280	595
Store Business Partner Stores	5,687	5,919	6,020	101
Sub-Area License Stores	810	828	834	6
Total	**11,712**	**12,432**	**13,134**	**702**

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 province. The Company will provide assistance and support under the agreed conditions.

Product Mix in 7-Eleven Stores

The Company's major products are categorized into two groups. The distribution of daily-life consumer products comprises foods and beverage, accounting for approximately 74 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 26 percent, mainly including personal care products and household products, etc.

The rapid expansion of technology and outbreak of COVID-19 has transformed consumer behavior and affect to customer's lifestyle, including purchasing behavior of goods and services. The Company has adapted its products offerings to better suit the current situation and people's lifestyles. Today, more people are maintaining their social distances, working or studying from home, less mobility, and paying more attention to their health. Hence, the Company has shifted its focus to more value-for-money product offerings in line with people's decreased purchasing power, which includes ready-to-eat food, freshly prepared food, and ready-to-cook processed food. These products are categorized as either good-value products, condiments, or family size products, for instance.

Moreover, in order to conveniently meet the needs and expectations of customers in all communities nationwide, the Company has plans to seamlessly connect its offline stores to online channels for a seamless shopping experience. Under the concept of one-stop convenience, customers can access goods and services with ease and speed, anytime, anywhere. Products can be delivered to designated destinations or picked up at the store. With regards to all types of lifestyles, the Company will be able to not only maintain its existing customer base, but expand it.

Nature of Customers

Presently, the Company has more than 13,000 7-Eleven stores 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. In 2021, 7-Eleven receives an average of more than 11 million store visitors per day nationwide. At present, 7-Eleven has expanded to online channels which includes its website, application, social media channels, and other communication also having more than 60 million user accounts, includes customers in Cambodia as the Company has opened the first store in Phnom Penh since August 2021.

With such a diversified customer group, the Company recognizes the importance of gathering Customer insights from different groups of customers in different locations and with different lifestyles. Behaviors might vary depending on the time of day, holidays, or if there are important events in the area. Furthermore, behavior also varies at different touch points, both online and offline. Fortunately, the Company has more than 14 million people in its All Member membership system where it can glean customers' authentic voices and opinions. The Company also analyzes consumer behavior throughout their decision-making process, from before, during, and after purchase. This data can be used in product planning, marketing, research and development, as well as selection of products and services to be placed in the market. The result is an efficient business development process. Furthermore, the Company is always proactively looking out for opportunities to enhance the customer experience, bringing satisfaction at the right place, at the right time. Not only will the Company occupy the number one place in customers' minds and maintain its existing customer base, it will also be able to expand its market to new target customers, contributing to a long-term relationship with its lifetime customers.

Strengths and Management Excellence

For over 30 years, 7-Eleven stores have been a part of Thai consumers' lives for the main purpose to satisfy and serve customer daily life broadly, also gain the highest market share in convenience store, Chain Store type business. In 2021, the Company has expanded another 702 stores. The total stores in Bangkok and its vicinities are accounting for 43 percent and those in provincial areas are accounting for 57 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, health-conscious customers and tourists, and etc.

When the business sector has been faced with major challenges from the impact of the corona virus pandemic 2019 or COVID-19, consumers adjust their behavior to a new lifestyle (New Normal) by keeping distance but connected with technology. There has been a change in working styles or studying from home more. As a result, the use of online ordering services and delivery services to the destination has been increased, while offline activities to stores may be reduced. Therefore, to remain competitive and cope with market changes in the short and long term, the Company has been proactive in strengthening the adaptability and resilience of its strategic plans to drive business forward steadily. Furthermore, the Charoen Pokphand Group's network of business alliances throughout many countries and 7-Eleven stores around the world are valuable assets for sharing best business practices. The Company is also dedicated to expanding its cooperation with various parties, including

the government, the private sector, educational institutions, and other partners in order develop its business based on consumer needs. With the organization's strengths, the Company and its partners can together make a different through synergy in the retail ecosystem, where offline and online distribution channels for goods and services are seamlessly connected.

Another strength of the Company is a large base of customers. The Company focuses on studying and understanding customer insight for conducting plans and adjusting strategies to select and develop potential, appropriate products and services which can respond to change in a timely manner which able to create a customer experience in a new dimension that is seamlessly connect and to create a comprehensive and expanding Retail Ecosystem in line with the modern Customer's Lifestyle that nowadays does not only require convenience and fast but also seek a distinction in products and services, being motivated and differentiated by factors such as value, fun, and novelty. Thus, the Company is committed to deliver the good experience which over expected to customers. Moreover, the Company enhances 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 a delivery of impressive experience, differentiation and long-term engagement with customers by warm service and friendliness of our employees.

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 COVID-19 pandemic has raged for over two years and experienced many waves of mutations, making the disease difficult to manage. The result is an uncertain and volatile Thai economy. Many sectors have been impacted by the pandemic, especially the service sectors, such as tourism and food business. Traveling between countries have been halted. At the same time, climate change and the dire situation of lack of water is still ongoing. The aforementioned factors are expected to affect not only the agricultural sector, but other businesses, employment, purchasing power, income, lifestyles, and shopping behavior. This year's unemployment rate is expected to be approximately 2 percent, above the normal rate of 1 percent. Meanwhile, household debt is the highest in 18 years, undercutting consumer confidence and leading to more conservative spending, both now and in the future.

Consequently, the economy has been showing signs of slowing since 2019, expanding at just 2.4 percent per year and declining at a staggering 6.1 percent in 2020. Following a new wave of outbreaks in 2021, the number of people infected from COVID-19 rose above 10,000 per day, causing the government to issue lockdown measures. Businesses had to limit their opening hours in many areas. The result is a stalled economy; it is expected that in 2021, the economy will grow by only 1.2 percent, lower than the projected 3.5 percent.

Therefore, the government implemented economic recovery measures to help stimulate the economy, domestic tourism, and spending. Additionally, this includes reducing costs of living for people, including affected small entrepreneurs and business sectors. This is done through projects such as the 'State Welfare Card Project,' 'We Win Project,' and 'M.33 We Love One Another Project.' Other projects that help specifically stimulate

purchasing power include the 'Half-Each Project' and the 'Use More, Get More Project,' for instance. Measures to reduce living costs include those to do with water and electricity bills. Measures to promote domestic tourism include the project 'We Travel Together' which not only helps support the economy, but helps maintain employment levels in the manufacturing and service sectors.

In 2021 still be the most challenging year for Thai retailers. Economic slowdown, decreased purchasing power, disruption of business operations due to lockdown measures and the impact of the COVID-19 on production and transportation systems as well as the changes in consumer behavior. In the midst of these changes, retailers promptly adapt their business operation to cope with the situation that lower number of customers enter into stores and new shopping behaviors under the new normal standard which prefer 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 2021 is expected to contract by 1 percent, with a total value of approximately 3.3 trillion baht, while e-commerce retail is expected to expand approximately 36 percent with a proportion of 11 percent to Thai retail business. (Kasikorn Research Center and Euromonitor)

In any case, the store remains the Company's main business retail channel. In 2021, there were a total of 20,323 convenience stores in the "Chain Store" category, with an increase of 970 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 2021, CPALL continued to retain around a 65 percent market share in the number of convenience stores. This was followed by Lotus's Go Fresh and Mini BigC, which had a 9 percent and 6 percent share, respectively.

(Unit : stores)	2019	2020	2021
Stand alone convenience stores	15,066	16,082	16,958
7-Eleven stores	9,998	10,608	11,210
Others	5,068	5,474	5,748
Convenience stores in gas stations	3,174	3,271	3,365
7-Eleven stores	1,714	1,824	1,924
Others	1,460	1,447	1,441
Total convenience stores	**18,240**	**19,353**	**20,323**

Remark: Major convenience stores in chain store format

Source: Compilation by CP All Plc

The Thai economy is expected to recover in 2022 due to the improving situation of the pandemic. The number of people infected per day has begun to decline and more than 70 percent of the population have received their first dose of vaccine. Thus, the government has begun to loosen the lockdown and open the country to foreign tourists stating November 1, 2021. If the coronavirus can be controlled at a satisfactory level, the business sector will also gradually recover and be able to resume normal activities. The National Economic and Social Development Council forecasts an economic growth of 3.5 to 4.5 percent.

In any case, the retail business will still face challenges in 2022 after dealing with a period of severe slowdown. The Company must be prepared to deal with unexpected events, turning crises into opportunities, and acting with agility, in line with market requirements. This is especially true regarding customers who are accustomed to using technology in shopping; customers also now place increased importance on the hygiene, quality, and safety of products and services. Retailers must not only adapt to changing consumer trends to gain share of wallet in offline and online channels, but they must also have set plans of how to manage people, partners, goods, and logistics for business continuity. They must also compete with its direct and indirect competitors who all proffer one-stop shopping convenience. For instance, brand owners are implementing direct sales to consumers (D2C: Direct to Consumer), international online commerce, and direct sales between consumers themselves (C2C: Consumer to Consumer). All this is coupled with new marketing models, such as customization, where goods and services are targeted towards specific individuals or groups based on their profiles.

Sourcing Products and Services

The Company is dedicated to delivering value to consumers through quality control, conscientiously paying attention to every step for procurement, from the process of selecting materials to production supervision to distribution.

In 2021, the Company's Group has a network of more than 2,600 partners, including large, medium, and small enterprises. The Company has also supported local products from small-scale entrepreneurs and farmers to general income for small and medium-sized enterprises (SMES). The result is a good variety of products that reduces the risk of dependence or concentration on the supply of goods in any one party. Additionally, the Company is recognized for its good relationship management with its business partners.

In terms of distribution, the Company has a main distribution center for the whole country; it also has 10 distribution centers for normal-temperature products and 11 centers for products that need temperature control. Other distribution centers are made especially for more specialized products, such as bread, frozen products, chocolate, and online products. This modern, effective distribution management system ensures that the products will maintain its best quality when they reach consumers' hands. Stores will receive the products they need in time, not losing out on sales opportunities. The Company is regarded as the retailer with the largest network of distribution centers in Thailand.

Business Strategy for Continuous and Sustainable Growth

The year 2021 was another challenging one for the retail business due to COVID-19 and various governmental control measures. People's lifestyles have changed unexpectedly—into a 'new normal,' or a new way of life. Hence, businesses, have to adapt to meet consumer demands and remain competitive. Amidst the fierce retail market with big players, the use of technology is a crucial advantageous factor.

In the midst of this pandemic, CP ALL Public Company Limited is intensely committed to taking care of the health and safety of its employees and customers that visit their 7-Eleven stores. The Company has established measures

to prevent the spread of COVID-19 to increase consumer confidence when they visit any 7-Eleven store nationwide. In addition, the government has initiated the project 'Thais Leave No One Behind' in order to help prevent the spread of COVID-19 amongst organizations, government agencies, and especially medical personnel working to support the health of all Thais. At the same time, the Company recognizes the precarious situation of vulnerable groups, including children, youth, the elderly, and the disabled, especially those looking in foundations or in communities. The pandemic makes these groups of people particularly vulnerable; they are more likely to experience a deterioration in quality of life and health. With regards to this situation, the Company has provided essential items such as consumer goods, medical alcohol, drinking water, and other daily necessities to such vulnerable groups throughout the past year.

In addition to the Company's aspiration to 'Giving and sharing Opportunities for all,' in 2021, the Company has implemented some adjustments to its corporate strategy, which can be summarized as follows:

1. Online-to-Offline Strategy: 7Delivery and All Online, Department Stores Near Your Home

Since the outbreak of COVID-19 in 2020, the Company has realized that its advantage of physical convenience—having stores near all communities—may no longer be a sufficient advantage to meet the needs of all its customers. Therefore, the Company has defined its value proposition to be 'All Convenience,' where offline and online channels are seamlessly integrated under the slogan 'One-stop Convenience' and 'All-Convenience Shopping—Whatever You Need, 7-Eleven Delivery.' This strategic move is meant to support modern consumers' digital lifestyles and create new, more convenient shopping experiences that satisfies more than 14 million customers every day.

The Company has planned to develop '7APP,' an application platform for ordering products, including food, beverages, snacks, vegetables, fruits, ready-to-cook products, etc. in 7-Eleven stores. With the 7Delivery service, customers can receive their products within 30 minutes of ordering. Customers can also pre-order products at the 'All Online department stores Near Home' and choose to pick up their purchases at their nearest 7-Eleven store or have the products delivered to their homes. Up for service 24 hours a day, the online shopping mall stocks a variety of products that adapts to customers' changing needs and are customized for all different profile and age groups. For instance, during the government lockdown, to prevent the spread of COVID-19, the Company delivered consumer necessities to homes, including masks, medical alcohol, ATK testing kits, rice, dried food, chicken eggs, fresh vegetables and fruits, and ready-to-eat food and beverages; other popular products during the time were also delivered, such as dietary supplements, herbs, and vitamins. For those who have to work from home, the Company delivers fitness equipment, game machines and other recreational equipment, electrical appliances, and home supplies used to clean or decorate the house. All of these products have urgently been integrated into the system so that customers can choose the products they need. These new business models and services draws on the strength of the largest network of stores in Thailand. With its expansion onto online platforms, customers can have new, exciting shopping experiences that is differentiated from other retail competitors.

In addition to online channels, the Company also has a call center where people can order products to be delivered right to their homes. At the number 1371, customers can order various products from 7-Eleven directly without using the application. This service is suitable for people such as the elderly who often do not own smartphones or people without internet signals.

In terms of payment, to facilitate convenience, the Company has an efficient payment ecosystem to support its business. In addition to paying by cash, to accommodate todays' cashless society and to reduce hygiene risks in touching money, customers can use mobile payment through True Money Wallet and other service providers

at the 7-Eleven store, the 7App platform, 7Delivery, and All Online services. Customers can also pay via credit card without a minimum spending limit. All in all, digital payments for goods and services in 2021 has grown exponentially; it currently accounts for nearly 20 percent of all payments.

Furthermore, the Company is accelerating to provide financial services through Counter Services. The Company also expand a cooperation to cover almost all leading public and private banks in order to act as a banking agency at 7-Eleven stores nationwide, helping customers to do transactions after normal business hours, also able to access "Banking Agency" more conveniently, 24 hours a day.

As mentioned above, the Company's strategy in the midst of a rapidly transformed market has been proven 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. Store Strategy: Expansion and Creating a 'Store With Charm'—Where Customers Can Select Products according to their Behavior and Needs in Each Area

Although online trading has become ever more prevalent, the Company still recognizes the strategic importance of physical store expansion in high-potential locations both domestic and oversea. For Thailand, main purpose to serve the needs of growing urban communities, consumer demands and expand 7 Delivery radiance to service more customers. In 2021, the Company successfully met its goal of establishing 700 new 7-Eleven stores, even though some store construction was affected by COVID-19. The Company's strategy is to expand its stores to secondary cities, which has been growing rapidly within the past few years. Larger and stand-alone, these stores are equipped with larger parking spaces as well as in-store areas. These larger stores will accommodate an increased variety of products, especially consumer products for in-home consumption, particularly those that come in larger packs; larger-packed products have increased in demand since the start of the pandemic. Store branches now play a role as a distribution point for delivery services. They also help capture sales opportunities and maintain product quality.

Furthermore, stores also have allocated areas for selling freshly cooked or prepared food and beverages—a coffee corner and a bakery stand sold under the brands 'All Café' and 'Kudsan.' Many of the new menu items released have gotten very good responses from customers, such as the freshly baked pizza in the shop and non-coffee drinks such as fruit tea, smoothies, and freshly squeezed juices. Some stores with especially larges areas and high footfall, such as those located in residential areas and office buildings will also be equipped with a corner 'Food Place' area, a place where customers can prepare simple fresh food. Signature menus include creamy omelet with different toppings on rice, tender pork with garlic and pepper on rice, and instant noodles salad. These stores have a dining area for customers to enjoy their food. Presently, Food Place has expanded to more than 1,500 branches. Even more excitingly, some stores offer an even fuller package of services, such as acting as bank agents, offering payment and ticketing services, parcel delivery services (under the brand 'Speed-D'), and laundry services, for instance.

Overseas, the Company has obtained the right to establish 7-Eleven stores in Cambodia and Laos. It launched the first 7-Eleven branch in Phnom Penh, Cambodia, last August. Even though Cambodia, not unlike Thailand, was affected by COVID-19, the Company's reputation and the quality of Thai products resulted in a large number of customers visiting this first branch. Customers were always strictly required to follow preventive measures in public health. With these satisfactory launch results, the Company plans to move ahead and open its first branch in Laos within the year of 2022.

Furthermore, the Company offers vending machines that sells food, beverages, and everyday items in areas without stores. In 2021, the Company has expanded to provide more than 2,600 vending machines nationwide. The key strength is installed vending machine in high-footfall locations. These vending machines are equipped with a notification system, alerting employees from nearby branches to be able to refill products up to three times a day, keeping the products in the machines always fresh and diverse. In addition, customers can pay via a variety of channels; these options fit with the requirements of modern lifestyle and has obtained very positive feedback from customers. Those living in communities, factories, or condominiums find these payment options useful especially during rush hours and times when it is difficult to find food to eat, such as at night. Furthermore, with the pandemic, many customers prefer not to travel very far from home and face difficulties when nearby shops are closed. Vending machines, which are near them, are always open for their convenience, and besides, highly hygienic.

3. Digital Transformation Strategy

With present-day advancements in technology and innovations, the Company is committed to the search and selection of new retail technologies, artificial intelligence (AI), and robotic process automation (RPA) software to help increase its management efficiency and ultimately, enhance the competitiveness of its retail business. The integration of technology into stores will increase efficiency in management, facilities, and other equipment. With modern equipment, stores can not only attract more customers and recommend products that are suitable with their individual needs, but also enable a convenient shopping experience that aligns with the lifestyles of new generation customer proficient with the digital world. Technology should also be used to manage the value chain, from upstream to downstream, especially with regards to logistics and warehouse management systems. This will increase the efficiency, speed, and accuracy in delivering products to consumers. It also reduces costs incurred from goods that need to be written off.

Meanwhile, various technologies have also be applied to environmental conservation initiatives under the Company's 7 GO Green policy. The Company has focused on efficient energy management, which covers system and electrical equipment improvements in 7-Eleven stores under the strategy 'Environmental Shop.' For instance, initiatives include improving the efficiency of evaporators for large refrigerators, installing inverter-type air conditioners and LED lamps, generating solar energy, developing knockdown stores, reusing building shell materials, and creating charging stations for electric vehicles (EV) at branch stores.

4. Customer Strategy

Developing and maintaining customer relationships is yet another strategy that the Company gives utmost importance to. The objective is to create a lifetime customer, where a person continues to use the Company's services throughout their lifetime, from child to teenager to working age to family person to old age. Because the needs of today's customers are so diverse, the Company's strategy is mass customization and personalization for marketing communications, where promotion strategies can be designed to be more specific to each consumer. At the same time, experience is one of the factors that greatly influence customers' purchase decisions. Most customers in the past two years, for instead, tend to shop based on their past experiences, not only based on the product itself or the price.

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 14 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 also aims to continuously expand its member base and develop benefits that are different for each individual by analyzing from historical data and purchasing behavior, so that all customers can truly benefit from the membership system of "All Member" and meet their needs as much as possible.

In addition to mobile applications, the Company has also developed other communication channels that fit with consumers' behavior. Current communication channels include popular social media channels such as Tiktok, Instagram, Twitter, LINE, YouTube, and Facebook. The Company also does Livestreams. Currently the Company has a total of more than 60 million follower across all channels. The Company recognizes the importance of communicating with its customers via various channels, especially via the Internet and social media channels.

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, has 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.

5. Product Strategy: Food & Drink and Health & Wellness Destination

One of the key product strategies is to create 7-Eleven as the No. 1 destination in customers' minds when thinking about food and beverages (Food & Beverage Destination), with a sales proportion of over 70 percent, while still sticking to the slogan. 'When you're hungry, stop by' at 7Eleven stores, coupled with on-demand delivery service according to the slogan 'When you're hungry, order now' to meet the expansion of the platform as well as online delivery.

The Company has a plan to increase its ready-to-eat (RTE) product offerings to satisfy customers' needs. Offerings include single-dish meals and side dishes developed in collaboration with partner food manufacturers. The Company has also released new menus in partnership with food brands such as Rotsaniyom and Chef Care featuring famous chefs such as Jae Fai to create menus for them. These new menu products have received excellent feedback from customers. In addition to ready-to-eat (RTE) food, the Company has also upgraded food and beverage offerings in the store. There is freshly prepared food– 'Freshly Brewed, Freshly Baked, and Freshly Cooked.' The 'Food Place' corner allows for simple fresh food preparation where a variety of simple menus can be assembled conveniently, cleanly, quickly, and with quality ingredients. In the area of coffee and fresh bakery, the Company has expanded the fresh coffee brand 'All Café' and the fresh bakery brand 'Kudsan' to all branches nationwide. Freshly baked goods are currently sold at more than 3,000 stores. A signature

and popular menu is the freshly baked pizza, which sells well. 7-Eleven stores also offer sweets, including Western-style chilled bakery items such as cakes, cream rolls, eclairs, as well as Thai desserts, appetizers, and. fresh cut fruits and vegetables. With such a variety of choices to select from, customers can consumer up to seven meals a day. In addition to the flavorful variety that the Company offers, its food and beverages stand out from competitors by having added nutritional value. To promote the health and wellbeing of Thais, stores offer foods with lower calories and reduced salt and sugar. This is also in response to health-conscious consumers who are entering the aging society.

In the food and beverage business, in addition to 7-Eleven stores, the Company offers a premium bakery house under the brand Bellinee's Bake & Brew, with more than 100 stores outlets at present.

In addition, 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 in every meals. The Company has also taken proactive steps to partner with CPRAM Company Limited (CPRAM) and Charoen Pokphand Foods (CPF), stimulated spending and helped customers by launching its 'Full Value' menu. The menu is a large, flavorful ready-to-eat food box which comes in a variety of rice and noodle dishes. CPF is also continuing to develop such products with other products from various product groups. Furthermore, in the midst of COVID-19, more people are living and working from home. As such, more people want to cook at home not only to ensure that their food is clean, safe, and healthy, but also to reduce the risk of going out. With more time spent together with the family, the demand for fresh produce and food ingredients have been growing rapidly online.

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 which offer health products in 1,500 stores 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.

Furthermore, the Company has also added generic home medicine and other health products in its "eXta" section in 7-Eleven stores. 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. 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, the Company offers health and medication counseling from pharmacists free of charge via video call and chat channels. Useful health information is also disseminated through these changes, such as health updates, trends, and special promotions. Customers can search for eXta Plus drug stores nearby and order health products, food supplements, and medical equipment easily through online channels.

At the same time, COVID-19 is continuing to spread and new virus strains are constantly being development. In addition to basic protective equipment such as masks, medical alcohol, and hand sanitizer, it is crucial to speed up screenings for infection so that Thais can survive this crisis. Therefore, eXta Plus has provided an antigen test kit standardized and certified by the Thai Food and Drug Administration to be sold at all of its branches at an affordable price. Hence, Thai people can self-diagnosed whether they are infected with COVID-19 at an early stage. This leads to the process of diagnosis, confirmation, treatment, and prevention as soon as possible. In addition, self-diagnosis reduces queues at hospitals, lightening the burden on overstretched medical personnel.

For 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, eXta Plus, and ALL Online channels.

6. Sustainability Strategy: Conducting Business with Good Governance and as a Good Societal 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 under the operation of Environmental, Social and Governance (ESG). 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 33 years, CPALL has been committed to become 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.

The Company places importance on contributing to society by supporting the economy, developing people's skills, and promoting careers to generate income for small and medium enterprises (SMEs), farmers, as well as vulnerable groups. Presently, the Company has promoted the careers of more than 28,000 farmers, 32,000 SMEs, and 2,900 individuals from vulnerable groups to earn more income.

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.

Furthermore, the Company attaches great importance in promoting education and developing youths, as educational opportunities can often lead to career opportunities and a better quality of life. In 2021, CP All has awarded 6,574 scholarships to students of Panyapiwat Institute of Management and its network, totaling more than 83 million baht. It is also planning to give an additional 3,146 scholarships totaling more than 840 million

baht to the same institute this year. In total, CP All has given 9,720 Panyapiwat scholarships, totaling over 923 million baht this year. In addition, CP All is one of the founding partners of the Foundation of the Future of Education (CONNEXT ED) and is one of 41 non-governmental organizations that are working together to develop education in Thailand. CP All plans to manage 638 schools nationwide within the CONNEXT ED program (phase 5). It plans to support these schools in various initiatives, including reducing inequality, increasing the quality of people, increasing competitive skills, supporting career paths, and environmental projects. Young leaders, called School Partners, are volunteers from partner organizations who visit the schools and offer advice on how and where to develop various school programs.

In terms of the environment, the Company realizes the importance of climate change and dire situation of rising global temperatures. Therefore, the Company has continued to implement the 7GO Green policy plan in all its operations. This includes various projects with other sectors. Results are recorded and set against the ambitious goal of becoming a Carbon Neutral Organization by 2030. The Company also plans to drive sustainable environmental conservation in Thailand under the 7 GO Green Mission 2021 (for more information, investors may refer to the Company's Sustainability Report 2021).

Grocery Wholesale and Retail Business

Siam Makro Public Company Limited ("Siam Makro")'s vision is to bring change to people's lives through the betterment of life, health, love, happiness, and quality of life. In addition, on October 25, 2021, Siam Makro acquired CP Retail Development Co., Ltd. and its subsidiary Lotus's ("Lotus's"). Lotus's is a leading operator in retailing consumer goods and manages rental spaces in shopping centers in Thailand and Malaysia. This acquisition aims to combine the advantageous strength of Siam Makro's wholesale business with Lotus's strength in retail and the management of rental spaces in Thailand and Malaysia. This combination will expand the business, making it a leader in the retail and wholesale of fresh food and grocery products in Southeast Asia. Business operations will become more competitive in both offline and online channels. After the acquisition of Lotus's, Siam Makro's business will cover three main segments: wholesale, retail, and the management of rental spaces in shopping centers.

Wholesale Business

The wholesale business consists of two sub-segments:

- Cash and carry business under the brand "Makro":
  As of December 31, 2021, Siam Makro operates 142 cash and self-service distribution centers in Thailand, 2 in Cambodia, 2 in India (under the brand "LOTS Wholesale Solutions"), 2 in the People's Republic of Cina, and 1 in the Republic of the Union of Myanmar. Makro focuses on selling consumer products, including fresh food, dry food, and consumer products under both third-party brands and the Company's private label. Target customers include tree main groups: food retailers, HoReCa (hotels, restaurants, and catering), and service operators.
- Imports, exports, and distribution of frozen and chilled food with delivery services :
  This segment is focused on imports, the distribution of premium food products, and storage and delivery services in Thailand and abroad. Main customer groups are: 4 to 5-star hotels, high-end restaurants, hospitals, and airline businesses.

Retail Business

Siam Makro's retailing business is managed by Lotus's, one of the leading consumer goods retailers in Thailand and Malaysia. In Thailand, Lotus's is a leading retailer with multiple distribution channels. As of December 31, 2021, Lotus's has 2,618 stores in Thailand, consisting of 222 hypermarkets, 199 supermarkets, and 2,197 mini-supermarkets. Likewise, in Malaysia, Lotus's is the leading retailer in the Peninsular Malaysia. As of December 31, 2021, Lotus's has a total of 62 stores, including 46 hypermarkets and 16 supermarkets. Lotus's retail business advantage lies in its strong domestic supply chain, distribution system, logistics network, and brand equity.

Lotus's main products include fresh food, consumer and general goods, liquor and tobacco, and clothing. It sells these products under various domestic and international brands, including brands from small and medium enterprises (SMEs) and under Lotus's own private label. Lotus's retail customers vary in age, income, and household sizes. Its main strengths that attract its customers include:

- Customers view Lotus's products as value for money
- Customers have trust in the Lotus's brand
- Customers have a positive perception towards Lotus's customer service activities and contributions to local communities

Management of Rental Spaces in Shopping Centers

Lotus's manages rental spaces in shopping centers for Siam Makro. This includes the management of Lotus's buildings and retail spaces in shopping malls. Lotus's also acts as the property manager of shopping centers at the Lotus Retail Growth Freehold and Leasehold Property Fund ("LPF"). Lotus's indirectly holds 25 percent of this investment fund.

As of December 31, 2021, Lotus's manages a total of 199 rented spaces in shopping malls in Thailand (excluded 23 branches that invested in the LPF), which amounts to approximately 717,224 square meters of permanent net leased areas (NLAs). Spaces under Lotus's management are divided into three categories to serve different groups of customers:

- Family Malls are large shopping centers whose target consists of families. The main tenants of Family Malls include restaurants, fashion boutiques, financial service providers, and entertainment providers amongst other services. This kind of Family Mall usually has a permanent net leased area of more than 5,000 square meters. As of December 31, 2021, Lotus's manages manages 12 rental spaces as Family Malls in Thailand (excluding 11 with investments in LPF mutual funds).
- Neighborhood Malls are medium-sized community shopping centers where customers can come and shop quickly and conveniently, especially with regards to food products. This type of shopping center usually consists of restaurants, beverage shops, and various fast food or "grab and go" stores. These shopping centers typically have permanent leased area between 2,000 and 5,000 square meters. As of December 31, 2021, Lotus's manages leased spaces for 86 Neighborhood Malls in Thailand (excluding 11 with investments in LPF mutual funds).
- Service Malls are smaller shopping centers focused on one-stop shopping, touting products and services used in daily life. They include restaurants as well. Service Malls typically have permanent leased area of less than 2,000 square meters. As of December 31, 2021, Lotus's manages 101 leased spaces as Service Malls in Thailand (excluding 11 with investments in LPF mutual funds).

As of December 31, 2021, Lotus's manages a total of 57 leased spaces in shopping centers in Malaysia with approximately 300,562 square meters of permanent net leased space.

(Please see more details in form 56-1 One Report from Siam Makro Public Company Limited, item 2, "Nature of Business")

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

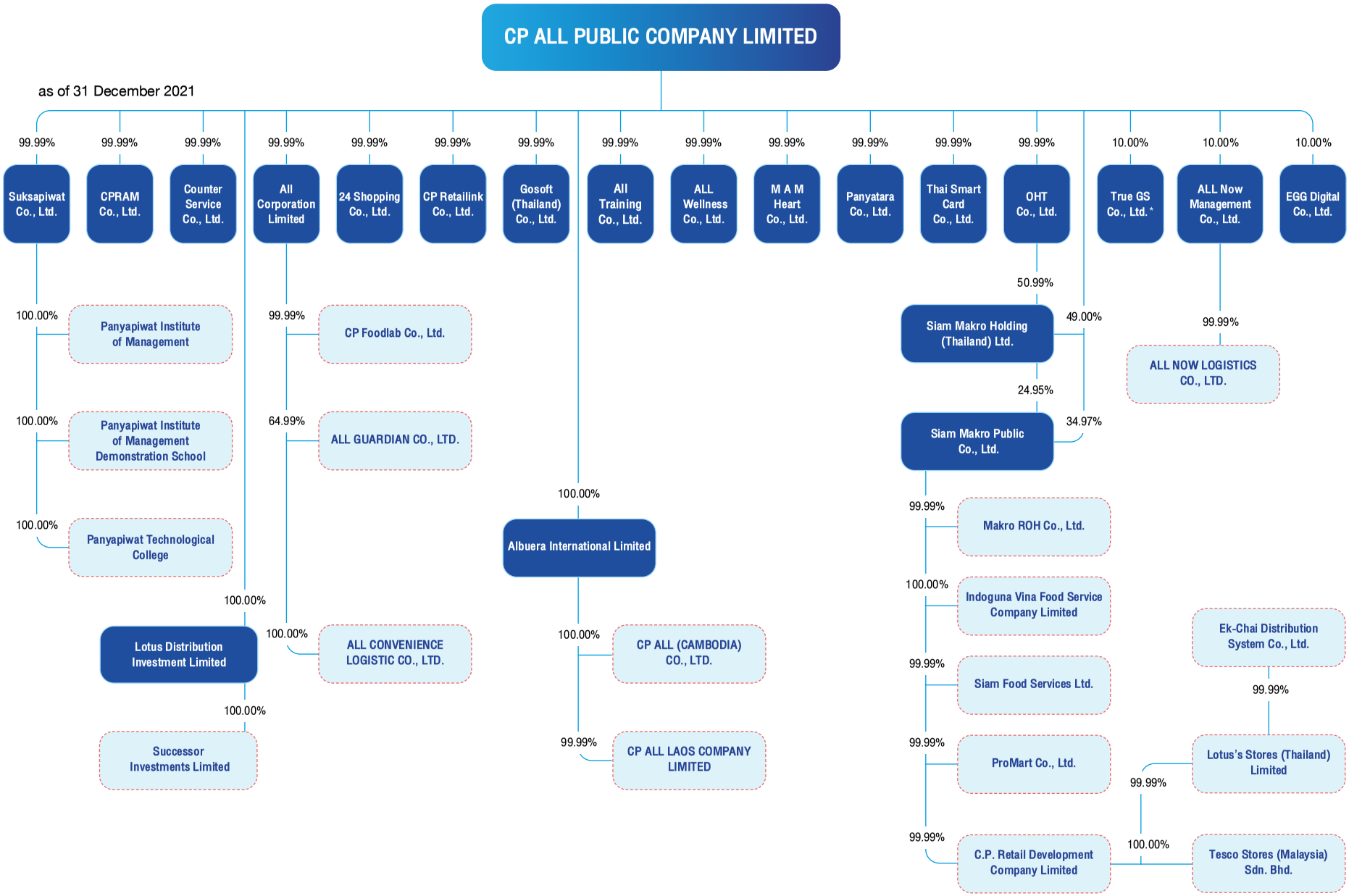
None

1.3 Investment Structure

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."), 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 October 25,2021 Makro invested in Lotus's Asia business (C.P.Retail Development Co.,Ltd and its subsidiaries). The Lotus's group is the retail business of groceries and consumer products with multi-store formats comprising discount store, supercenter, and hypermarket which also operates the business of leasing space in shopping mall and other services in Thailand and Malaysia. This investment supports Makro to become one of the leading regional retail and wholesale of fresh food and consumer goods in Southeast Asia, as well as expanding the scope of business operations to be able to compete in both offline and online channels.



*Detail of Information of companies held by Siam Makro Plc. is exhibited in their 56-1 One Report Annual Report 2021.

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 though smart card	119 Tara Sathorn Tower 4th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok www.thaismartcard.co.th	99.99	Baht 1,600 million
Suksapiwat Co., Ltd.	Educational institution	20/29 Moo 2 Ngarmwongwan Road, Bangkhen, MeungNonthaburi, Nonthaburi	99.99	Baht 810 million
CPRAM Co., Ltd.	Manufacturing and sale of convenience foods and bakery	177 Moo 4 Pathum Thanee Lat-LumKaeo Road, Raheang, Lat-Lumkaew, Pathum Thanee www.cpram.co.th	99.99	Baht 600 million
All Corporation Co., Ltd.	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, 11th Floor, South Sathorn Road, Tungmahamek, 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 4-6th Floor, Soi Sathorn 5, South Sathorn Road Thungmahamek, Sathorn, Bangkok 10120, Thailand www.counterservice.co.th	99.99	Baht 100 million
24 Shopping Co., Ltd.	Catalog and e-Commerce Business	119 Tara Sathorn Building, 9-10th 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 24th Floor, Silom Road, Silom, Bangruk, Bangkok www.gosoft.co.th	99.99	Baht 20 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
OHT Co., Ltd.	Investment business	119 Tara Sathorn Tower Sathorn Road, Thungmahamek, Sathorn, Bangkok	99.99	Baht 12.5 million
All Training Co., Ltd.	In-house training & seminar services	54/1-10 Moo 2, Bang Talad, Prakret, Nonthaburi	99.99	Baht 1 million
MAM Heart Co., Ltd.	Marketing and Advertising services	313 C.P. Tower, 26th Floor, Silom Road, Silom, Bangruk, Bangkok	99.99	Baht 1 million
Panyatara Co., Ltd.	Training services	54/1-10 Moo 2, Bang Talad, Prakret, 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 10 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	59.92	Baht 5,290 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 Talad, Prakret, 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 Co., Ltd.)	Research and development	141 Moo 9, 6th floor Innovation Cluster 2, Tower D, Thailand Science Park, PhahonYothin Road Klong 1, KhlongLuang, PathumThani www.cpram.co.th	99.99	Baht 10 million
All Convenience Logistic Co., Ltd. (Hold through All Corporation Co., Ltd.)	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
All Guardian Co., Ltd. (Hold through All Corporation Co., Ltd.)	Distribution of Health and Beauty	313 C.P. Tower 24th Floor, Silom Road, Silom, Bangruk, Bangkok	64.99	Baht 300 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 Zheng Yi Xin Trading Co., Ltd. (Hold through Successor Investments Limited)	Commercial Trading	44 ShuiZuo Gang, Gulou District, Nanjing City, The People's Republic of China	100.00	USD 10 million
Nanjing Tianqu Investment Management Co., Ltd. (Hold through Successor (China) Investments Limited)	Investment Business	Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, The People's Republic of China	100.00	RMB 1,862 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
Nanjing Tech University Pujiang Institute (Hold through Successor (China) Investments Limited)	Private Educational institution	No. 9 Lixue Road, Shiqiu Town, Lishi District, Nanjing City, The People's Republic of China http://en.njpji.cn	100.00	RMB 400 million
Nanjing Tech University Pujiang Institute Educational Development Fund (Hold through Successor (China) Investments Limited)	Education Development Fund	Room 711 no. 199, Guangzhou Road, Nanjing City, The People's Republic of China	100.00	RMB 50 million
CP All Cambodia Co., Ltd. (Hold through Albuera International Limited)	Convenient store	5734, Street 1003, Bayab Village, Sangkat Phnom Penh Khan Sen Sok, Phnom Penh, Cambodia	100.00	USD 6 million
CP All Laos Co., Ltd. (Hold through Albuera International Limited)	Convenient store	602 Khum Pheng Muang Road, Ban Phothanneua Unit 34, Vientiane, Lao PDR	99.99	LAK 20,000 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	59.92	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 10250	59.91	Baht 4,962 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	59.91	Baht 3,183 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
Pro Mart Co., Ltd. (Hold through Siam Makro Public Company Limited)	Sale of consumer products	1468 Phatthanakan Road, Suan Luang, Suan Luang, Bangkok 10250	59.91	Baht 2.5 million
C.P. Retail Development Co., Ltd. (Hold through Siam Makro Public Company Limited)	Investment business	313 C.P. Tower 14th Floor, Silom Road, Silom, Bangruk, Bangkok	59.91	Baht 199,475 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	59.91	USD 31.3 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	59.91	USD 0.183 million
CP Wholesale India Private Limited (Hold through Makro ROH Co., Ltd.)	Wholesale and retail operator and related businesses in India	7th & 8th Floor, WeWork BlueOne Square, 246 Phase IV, Udyog Vihar, Gurugram -122016, India corporate.lotswholesale.com	59.90	INR 771.43 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	10th Floor (Part: 1001), 11th Floor, No. 65, Xianlie Middle Road, Yuexiu District, Guangzhou, The People's Republic of China www.makrochina.com.cn/	59.90	RMB 139 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	59.90	RMB 15 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	41.94	USD 47.2 million
Indoguna (Cambodia) Company Limited (Hold through Siam Food Services Limited)	Food services business and related businesses in Cambodia	Office No.28 Address No. 28, Sangkat Olympic, Khan Chmkarmon, Phnom Penh, Cambodia	59.91	USD 2.5 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
Indoguna (Singapore) Pte Ltd (Hold through Siam Food Services Limited)	Produce sausages, bacon, ham, salami, cut meats and processed meats. Under the brand Carne Meats. Import and distribution of fresh, temperature controlled, frozen, high quality food products with delivery service i.e. meat, seafood, bakery products as well as seasonal and culinary delicacies prepared from both local and international, to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders	36 Senoko Drive, Senoko Industrial Estate, Singapore 758221 www.indoguna.com	47.93	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/	47.93	AED 7 million
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	47.93	HKD 1 million
Indoguna Dubai L.L.C. (Hold through Siam Food Services Limited)	Import and distribution of fresh, temperature controlled, frozen, high quality food products with delivery service i.e. meat, seafood, bakery products, fried egg soup as well as seasonal and culinary delicacies prepared from both local and international, to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders	Al Waha Street, Exit 46, Al Quoz 1, P.O. Box 123125, Dubai, United Arab Emirates	47.93	AED 0.3 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
Indoguna Lordly Company Limited (Hold through Siam Food Services Limited)	Import and distribution of fresh, temperature controlled, frozen, high quality food products with delivery service i.e. meat, seafood, bakery products, fried egg soup as well as seasonal and culinary delicacies prepared from both local and international, to meet the demand of food service professionals i.e. hotels, restaurants, airlines, caterers, institutions, manufacturers, and food traders	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	47.93	HKD 0.01 million
Lotuss Stores (Malaysia) Sdn. Bhd (Hold through C.P.Retail Development Co., Ltd.)	Grocery retail business	Head office, Level 3 No. 3, Jalan 7A/62A Bandar Menjalara 52200 Kuala Lumpur	59.91	MYR 256 million
Lotus's Stores (Thailand) Co., Ltd. (Hold through C.P.Retail Development Co., Ltd.)	Investment business	629/1 Nawamin Road, Nuanchan Sub-district, Buengkum District, Bangkok	59.90	Baht 12.3 million
Ek-Chai Distribution System Company Limited (Hold through Tesco Stores (Thailand) Ltd.)	Sale of consumer products	629/1 Nawamin Road, Nuanchan Sub-district, Buengkum District, Bangkok	59.90	Baht 5,137 million
Lotuss Mobile (Thailand) Company Limited (Hold through Ek-Chai Distribution System Co., Ltd.)	Telecommunications (Not yet start)	629/1 Nawamin Road, Nuanchan Sub-district, Buengkum District, Bangkok	59.89	Baht 5 million

Associated Company

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
Lotus's Money Services Limited (Hold through Ek-Chai Distribution System Co., Ltd.)	Credit card and financial services	550 Krungsri Ploenchit Tower, Lumpini, Pathumwan, Bangkok	29.95	Baht 2,080 million

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
Retail Properties Co.,Ltd. (Hold through Ek-Chai Distribution System Co., Ltd.)	Leasing space in office building and related services	313 C.P. Tower 1st Floor, Silom Road, Silom, Bangruk, Bangkok	29.95	Baht 210 million
Synergistic Property Development Co., Ltd. (Hold through Ek-Chai Distribution System Co., Ltd.)	Property development	999/9, 31st Floor, Rama1 Road, Pathumwan, Pathumwan, Bangkok	29.95	Baht 465 million
Lotus's Retail Growth Freehold and Leasehold Property Fund (Hold through Ek-Chai Distribution System Co., Ltd.)	Property fund	1 Empire Tower, 32nd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok	14.98	Baht 23,828 million

Other

Company	Type of Business	Head Office	Shareholding (Percent)	Paid Up Capital
All Now Management Co., Ltd.	Warehouse and logistic services, including distribution of general merchandises	119, 8th Tara Sathorn Tower Sathorn Road, Thungmahamek, Sathorn, Bangkok www.allnowgroup.com	10.00	Baht 1,000 million
All Now Logistics Co., Ltd.	Logistic services	119, 8th Tara Sathorn Tower Sathorn Road, Thungmahamek, Sathorn, Bangkok www.allnowgroup.com	10.00	Baht 1 million
Egg Digital Co., Ltd.	Consulting service, providing knowledge of information both technical and computer-related program development	101, 10th True Digital Park, Sukhumvit Road, Bangchak, Prakanomg, Bangkok, 10260	10.00	Baht 67.5 million
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

With regards to the Company's investment in 40 percent of the total voting rights in C.P. Retail Holding Company Limited ("CPRH"). which wholly own the total shareholder of C.P. Retail Development Limited ("CPRD"). CPRD is a company that invested in Tesco Stores (Thailand) Company Limited and Tesco Stores (Malaysia) Sdn. Bhd. (collectively referred to as "Tesco Asia Group") on December 18, 2020.

Subsequently, on October 25, 2021, Siam Makro Public Company Limited ("Makro") accepted the entire business transfer of CPRH, including 99.99 percent of the total voting rights in CPRD. CPRH received a total of 5,010,323,500 newly issued ordinary shares as compensation ("CPRH Entire Business Transfer Transaction"). Thus, CPRH has successfully registered for dissolution and entered into the liquidation process. All remaining assets of CPRH, including Makro shares which CPRH received as compensation in the CPRH Entire Business Transfer Transaction have been proportionally delivered to CPRH's shareholders; these shareholders include the Company, Charoen Pokphand Holding Company Limited ("CPH") and C.P. Merchandising Company Limited ("CPM"). As a result, the Company has a direct and indirect stake amounting toat 65.97 percent of the total voting rights in Makro.

Later, on December 22, 2021, Makro completed the issuance of newly issued ordinary shares to the general public ("Public Offering"). In this Public Offering transaction, the Company, CPH, and CPM jointly disposed offered of some of the ordinary shares they held in Makro.; as a result, the Company's direct and indirect holdings in Makro voting rights decreased to 59.92 percent. At the same time, CPH and CPM's direct stakes in Makro decreased to 17.69 percent and 8.85 percent of Makro's voting rights, respectively.

Although the abovementioned shareholding scheme structure of the Company may involve persons with conflicts of interest defined as those who hold more than 10 percent of Makro shares with regards to CP ALL (i.e. CPH), the arrangement structure is appropriate when considering a number of factors, including the Company's capital structure. As a listed company on the Stock Exchange of Thailand, the Board of Directors believes that the abovementioned shareholding structure for Makro is appropriate and consistent with the Company's policy and long-term strategy. Such a structure would help to support Makro to retain its position as the leader in the consumer goods retail industry in the region. The structure will also help increase Makro's ability to compete with other e-commerce or international technology companies, as it responds to rapidly changing consumer behavior.

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 Top10 Shareholders

Major Shareholders	As at 31 December, 2021	
	No. of Shares	Percent
1. CP Group*		
1.1 C.P. Merchandising Co., Ltd.	2,825,557,400	31.46
1.2 C.P. Foods International Limited	83,000,000	0.92
1.3 C.P. Foods Holding	60,497,656	0.67
1.4 Orient Success International	60,470,000	0.67
1.5 Bangkok Produce Merchandising Plc.	60,000,000	0.67
1.6 Charoen Pokphand Foods Plc.	26,407,500	0.29
1.7 Jumbo Kingdom Limited	22,316,200	0.25
1.8 Worth Access Trading Limited	17,874,000	0.20
1.9 Creative Light Investments Limited	13,860,000	0.15
1.10 Charoen Pokphand Group Co., Ltd.	4,000,000	0.04
2. Thai NVDR Co., Ltd.	780,899,647	8.69
3. South East Asia UK (Type C) Nominees Limited	595,470,724	6.63
4. State Street Europe Limited	306,262,839	3.41
5. GIC Private Limited	304,795,449	3.39
6. Social Security Office	246,801,400	2.75
7. The Bank of New York Mellon	135,659,470	1.51
8. Mr.Niti Osathanugrah	118,902,400	1.33
9. UNS Agro Chemical Co., Ltd.	116,400,000	1.30
10. BNY Mellon Nominees Limited	107,338,465	1.20
11. Others	3,096,588,198	34.47
	8,983,101,348	**100.00**

* Charoen Pokphand Group (CPG) holding a combined shareholding of 35.32 percent of the total paid-up capital

1.4 The Company Registered Capital and Paid Up Capital

As at December 31, 2021, the Company registered capital with Ministry of Commerce was Baht 8,986,296,048, of which Baht 8,983,101,348 had been paid up. The paid up capital comprises of 8,983,101,348 ordinary shares with a par value of Baht 1 per share, entitling of 1 share 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 and Annual General Meeting of Shareholders No.1/2021 dated April 23, 2021 approved the offering and issuance of the debentures up to Baht 295,000.0 million in order to repay loans and/or to be used as working capital.

As at December 31, 2021, the Company offered and issued debentures of 16 times in the total of 41 tranches, which total up to amount of Baht 242,491.70 million as details below :

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

Offering	Public Offering, high net worth, and institutional investors
Outstanding debenture value	Baht 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 debentureholder representative

Offering	Public Offering, high net worth, and institutional investors
Outstanding debenture value	Baht 15,313.7 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
10 years	15,313,700,000	5.14	27 March 2024

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

Offering	High net worth and/or institutional investors
Outstanding debenture value	Baht 10,439.0 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
10 years	10,439,000,000	5.05	22 August 2024

4. Debentures No. 2/2015 Subordinated 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

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

Offering	High net worth and/or institutional investors
Outstanding debenture value	Baht 5,618.0 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
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

6. Debentures No. 2/2016 Subordinated 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 26that the debentures are outstanding; the first interest payment date on February 26, 2017.
Issue Rating	"A- (tha)" by Fitch Ratings (Thailand) Limited

Series	Debenture Value (Baht)	Interest Rate (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

7. Debentures No. 1/2017 Subordinated 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

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

Offering	High net worth and/or institutional investors
Outstanding debenture value	Baht 3,000.0 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

9. 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	Year 1-5:	Interest rate at 5.0 percent
	Year 6-10:	Interest rate equal to the sum of (a) five-year government bond yields * (b) Initial Credit Spread 3.07 percent per year, (c) the rate of 0.5 percent per year.
	Year 11-50:	Interest rate equal to the sum of (a) five-year government bond yields * (b) Initial Credit Spread 3.07 percent per year, (c) the rate of 1.1 percent per year.
	Year 51 onwards:	Interest rate equal to the sum of (a) five-year government bond yields * (b) Initial Credit Spread 3.07 percent
	* Interest rate will be adjusted every five years based on the government's five-year bond yields at the end of day two days prior to the interest-rate adjustment date.	
Interest Payment Date	Twice a year on each February 22 and August 22 that the debentures are outstanding; the first interest payment date on February 22, 2018.	

Redemption right	Issuer has the right to redeem the debentures in the following cases: 1. The Issuer's right to redeem the debentures on 5-year maturity date starting from the issue date, which is on August 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

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

10.1 Without debentureholder 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

10.2 With debentureholder 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

11. Debentures No. 1/2019 Subordinated 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

12. Debentures No. 1/2020 Subordinated 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

13. Debentures No. 2/2020 Subordinated 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
13.1 Offering	Public offering

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

13.2 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

14. Debentures No. 1/2021 Subordinated and unsecured debentures in registered name form

Offering Institutional investors and/or high net worth

Outstanding debenture value Baht 21,900.0 million

Issue Date March 16, 2021

Interest Payment Date Twice a year on each September 16 and March 16 that the debentures are outstanding; the first interest payment date on September 16, 2021.

Issue Rating "A+" by Tris Ratings Limited

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
5 years	10,000,000,000	2.86	16 March 2026
7 years	6,800,000,000	3.42	16 March 2028
10 years	3,600,000,000	3.95	16 March 2031
15 years	1,500,000,000	4.64	16 March 2036

15. Debentures No. 2/2021 Subordinated and unsecured debentures in registered name form

Offering Public offering, institutional investors and/or high net worth

Outstanding debenture value Baht 66,000.0 million

Issue Date June 16, 2021

Interest Payment Date Twice a year on each December 16 and June 16 that the debentures are outstanding; the first interest payment date on December 16, 2021.

Issue Rating "A+" by Tris Ratings Limited

15.1 Offering Public offering

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
5 years	17,773,000,000	3.00	16 June 2026
7 years	7,376,000,000	3.40	16 June 2028
10 years	8,851,000,000	3.90	16 June 2031

15.2 Offering Institutional investors and/or high net worth

Series	Debenture Value (Baht)	Interest Rate (Percent)	Maturity Date
2 years	3,000,000,000	1.53	16 June 2023
3 years	3,000,000,000	1.76	16 June 2024
4 years	6,500,000,000	2.14	16 June 2025
10 years	12,500,000,000	3.90	16 June 2031
12 years	7,000,000,000	4.20	16 June 2033

16. 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: November 30, 2021

Interest Rate:

- Year 1-5: Interest rate at 4.6 percent
- Year 6-25: Interest rate equal to the sum of (a) five-year government bond yields * (b) Initial Credit Spread 3.54 percent per year, (c) the rate of 0.5 percent per year.
- Year 26-50: Interest rate equal to the sum of (a) five-year government bond yields * (b) Initial Credit Spread 3.54 percent per year, (c) the rate of 1.0 percent per year.
- Year 51 onwards: Interest rate equal to the sum of (a) five-year government bond yields * (b) Initial Credit Spread 3.54 percent per year, (c) the rate of 2.0 percent per year.

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

Interest Payment Date: Twice a year on each May 30 and November 30 that the debentures are outstanding; the first interest payment date on May 30, 2022.

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, 2026 (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 "A-" by Tris Ratings Limited

1.6 Dividend Policy

The Company's Dividend Policy

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

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

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

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

Dividend Distribution

Dividend payment	2017	2018	2019	2020	2021**
1. Earnings per share* – Company only (Baht/share)	1.77	2.11	2.14	1.48	0.89
2. Annual Dividend (Baht/share)	1.10	1.20	1.25	0.90	0.60
3. Dividend payout – Company only (percent)	59	54	56	57	60

* The calculation of earnings per share less cumulative interest on perpetual subordinated debentures

**Dividend payment for 2021 shall be further proposed to the shareholders' meeting on April 21, 2022 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 subsidiaries have established a comprehensive risk management system, under the supervision of the risk 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. The Company reviews the policy and risk management twice a year to ensure that the Company has consistent risk management throughout the organization and is a part of the decision making of strategic plans and effective operations in various functions in the organization with sustainable effectiveness.

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 by appointing 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, risk, and including various operations to have maximum efficiency and effectiveness. In addition, the Company conducted a risk score assessment, which evaluated the risk management capabilities of different departments. The assessment is conducted every quarter or four times a year to help provide insight into areas for improvement in more than 70 different departments in the organization as well as providing online advice services to share knowledge and good examples on how to raise the risk score of each department through the Risk Score Clinic every week. Any departments that consistently achieve good performance will be praised and recognized 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 or four times a year which hold by the Risk Champion's unit, the seminar's goal is to enhance its participants' risk management capabilities. With more than 500 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, buildings, facility cyber security, data privacy, governmental coordination, and occupational safety and environment. The role of this committee is to monitor the changing of internal and external factors on a daily basis to assess and manage risks also other impacts 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.

In addition, CP ALL (Cambodia) Co., Ltd., an indirect subsidiary of the Company has newly established under Cambodian law on May 5, 2020, to operate 7-Eleven stores (with 100 percent of shares held by Albuera International Limited, a wholly-owned subsidiary of the Company), entered into a master 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.

In addition, CP All Laos Co., Ltd., an indirect subsidiary of the Company has newly established under the Law of the Lao People's Democratic Republic on 28 August 2020, to operate 7-Eleven stores (with 99.99 percent of shares held by Albuera International Limited, a wholly-owned subsidiary of the Company), entered into a master agreement with 7-Eleven, Inc. to operate 7-Eleven stores in Laos. Under this agreement, CP All Laos Co., Ltd. was 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 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 the signed date i.e. by the end of 2021 the Company operated 13,134 7-Eleven stores nationwide, which is higher than the minimum number of stores to be maintained under the agreement, royalty fee is regularly paid for the period of time as stipulated in 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, the Company also established and operated 7-Eleven stores under the master franchise agreement in Cambodia and Laos. The chance that such 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 13,134 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, pandemic, 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-term 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 are effectively operated and have sufficient space to support sales growth from its stores and new online businesses both domestic and abroad. The Company has also issued internationally recognized policies and practices for its trade partners, communicated through training 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 drills 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 partners developing Business Continuity Plan (BCP) to ensure that products can be delivered during crisis to minimize the negative impact on the sales revenue. In addition, the Company has appropriately bought insurance to compensate for loss and to alleviate the cost burden that may occur in the future, covering distribution centers, stores, and subsidiary companies.

From the aforementioned, the Company believes that all distribution centers still have potential and have sufficient number and size to support the expansion plans both domestically and abroad which including new businesses in the future that are able to integrate as a backup distribution network system in the most efficient way.

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

The Company's information technology systems supporting O2O are 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 make sales revenue, and deliver good products and services to more than 11 million customers per day which are the key matters to create persistent customers' satisfaction 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, 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 supporting the Company's O2O service through a whole supply chain systems being operated effectively with the continuity of business operations and in line with the Company 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 units can collaborate with global partners to update technology systems 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 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 teams, which the training will be given scenarios that could cause crisis to IT center on a variety of different situations to ensure that the delegated team is comprehended and able to follow all the business continuity management (BCM) efficiently and timely. Furthermore, apart from regular checks by the internal audit team, an external audit company tests the IT system annually for the highest assurance of the Company's information technology system.

Cyber Threats

Modern digital advancement including the outbreak of COVID-19 in Thailand and around the world, forced the Company to adapt and adjust to work from outside the office or from home in order to continue the business

operations as planned, BCM: Business Continuity Management. This change may result in the risk of cyber threats. 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 of 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 cyber security 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 times, 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 new normal lifestyle post-COVID-19 pandemic which these regulations often have smaller chapters or area-specific requirements corresponding to local characteristics. However, if the Company fails 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 being 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 and Law office 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 on to licensing agencies.

In addition, the Company requires that every unit has to review legal risks quarterly by the risk manager of the Risk Champion unit. For the purpose to ensure that the Company 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 (UNGP) 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 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

The Company reviews issues and trends annually to analyze potential emerging risks and business risks, aiming to develop measures, management approaches, and responses to risks promptly. In 2021, the Company identified emerging risks, as well as impacts on business, setting measures, and management approach.

Risks from Governmental Regulations Promoting Packaging Waste Reduction

Greenhouse gas emission from plastics' life cycle is presently high, resulting in failure to achieve the goal of reducing the global average temperature by 1.5 degrees Celsius. Over 80% of plastics is produced from fossil fuel, the cause behind the increased volume of greenhouse gas emission. Furthermore, Center for International Environmental Law (CIEL) reports emission estimation of plastic production-induced pollution globally to be equivalent to pollution emitted from coal industry over 180 plants. This may cause an increase in greenhouse gas emissions by 10-13% in 2050. The best approach to reduce plastic usage is to address it from upstream at the stage of production, reduce excessive use of resource, reduce plastic packaging, and increase recycled plastic products. This serves as a goal to initially optimize resource usage to minimize environmental impacts. The public sector's governance and policy implementation on packaging are therefore highly crucial to enabling the principle of circular economy.

Thailand has Thai Plastic Roadmap for 2018-2030, comprised 2 primary goals to reduce plastic and packaging waste, as follows. The first goal is to reduce and terminate plastic usage, opting for alternative and environmentally friendly; the second goal is to recycled plastic waste for further benefits, encompassing plastic waste reduction at-source and post-consumption. At the moment, the aforementioned plan has progressed into phase 2 (2022-2027). The phase stipulated was one whose scope is expanded to cover termination of single-plastic packaging use, in tandem with developing the national process and fundamental infrastructure in reusing and recycling. One of the tools used for studies to substantiate policy development is Extended Producer Responsibility (EPR), in which producers must be accountable for the entire cycle, from designing, distribution, recalling, collection, reuse, recycling, and treatment of packaging waste post-consumption. The principle of extended producer responsibility is widely practiced in Europe, North America, South Africa, and some countries in Asia. It is likely to be implemented as a regulation in Thailand, which can directly impact retail businesses in the future.

Business Impacts

The Company aims to work on plastic waste management under the Thai Plastic Roadmap continuously, supporting minimization of environmental impacts and response to the national policy, per the Extended Producer Responsibility (EPR) principle. It is possible that within the next 3-5 years, it will become a regulation implemented domestically for all industries, affecting business operations throughout the Company's value chain. Review of environmental operational plan, from upstream to downstream, is extremely crucial in driving forth the Company's business. Furthermore, investment in reuses and recycles of packaging waste, as well as distribution of products rely on novel systems and processes, thus incurring additional costs to set up system or to operate (equates to investment of over 215 million Baht in the next 3-5 years). A nudge for legal actions per extended producer responsibility may affect the Company's reputation if one does not have sufficient preparation throughout the supply chain.

Measures and Management Approach

The Company aims to minimize plastic waste and packaging waste landfilled, by promoting waste management under the principle of Circular Economy, in order to achieve target in plastic packaging management for Private Brand. It must be reusable, recyclable, or compostable, through the concept "reduce, avoid, stop" by operating per 3 primary approaches, as follows.

- Reduce plastic usage at-source, stipulating policies and strategy in response to packaging selection of the product groups which are private brand, shifting towards eco-packaging; as well as initiating packaging development strategy in collaboration with suppliers, such as designing packaging anew to reduce plastic use, the shift for sealing and printed cling film, as opposed to thick plastic lid with stickers. There is also an adjustment for the packaging thickness or bottle sizes. Suppliers are asked for cooperation in development and selection of eco-packaging
- Reduce and replace plastic usage at consumption stage; initiate strategic process in reducing single-use plastic use and commence campaigns to foster customers' engagement
- Reduce post-consumption plastic and non-plastic waste; initiate strategy of recycling post-consumption plastics per the principle of circular economy in joint-efforts with suppliers, NGOs, communities, the public sector, local entities, global organizations, as prototype of recycling post-consumption plastic waste anew, such as plastic bottle-to-employee shirt, post-consumption plastic waste separation bin for recycling process.

Risks of Increasing Sea Level and Erosion of Brackish Water due to Climate Change

The cause behind continuous rise of seawater level is due to climate change. The rising global temperature affects the ocean, whose role is to absorb greenhouse gas, to store more heat. This causes the water volume to expand and push the seawater level even higher. Simultaneously, the rising temperature also speeds up the melting of glacier, resulting in further rise in sea level. Furthermore, Intergovernmental Panel on Climate Change (IPCC) reported that the sea level would rise by 84 centimeters on average globally between 2019-2100. This would result in river basins and lower lands becoming more susceptible to floods and drownings. Natural freshwater sources would be intruded with seawater more, such as underground water, surface water. This culminates in limited efficiency of freshwater consumption and business operations. The seawater seepage is triggered from high-tide seawater, which rises higher and further. The freshwater volume released from dams decreases due to drought, multiplying the seawater contamination in natural freshwater sources, with direct impacts on all lives, ecosystems, economic growth, and fundamental infrastructure.

Business Impacts

Researches from various institutes demonstrate possibilities of rising sea level. The data is derived from highly precise calculations from satellite images. Over 96% of Thailand's Bangkok would be flooded if flooding occurs, encompassing over 1,512 square kilometers within the next 3-5 years. The economic damage could multiply, particularly in basins within Bangkok and the peripheral provinces, which are areas of business importance due to the high density of stores.

Notably, climate change-induced impacts such as rising sea level and seawater intrusion in freshwater sources, directly affect 7-Eleven stores in the river basin areas across 9 provinces, which are Bangkok, Samut Prakarn, Nonthaburi, Pathumtani, Saraburi, Chachoengsao, and Prajinburi. There are over 4,892 store branches. Post-flooding, there would be business disruption, additional cost for store fixes and rebuilding, expense in tool and equipment procurement to maintain water supply quality for businesses. In tandem, such incidents can impact products' quality, as well as products and services requiring prior preparation, which must stop its sales as it got affected by seawater level and high tide, resulting in saltwater intrusion of frequently sourced freshwater bodies. The Company would lose many business opportunities during such crisis. Consequently, the Company has conducted risk assessments, categorized into 2 dimensions, as follows.

- Loss of sale opportunities for product groups necessitating good quality of water, such as All Café's freshly made beverage, 7-Select beverage machine, and Slurpee. The expense to procure clean water for consumption, which can be valued at 1,000-1,500 million baht, if the products and services cannot be provided for 7 consecutive days.
- Damage value after an insurance claim was an equivalent of over 2,644 million baht, as assessed from deductible of the first part from the insurance claims and the insurance payout.

Measures and Management Approach

The Company developed comprehensive risk policy and risk management plan, governed by Risk Management Committee. Climate change risk has been integrated as a risk factor against the Company's business operations, aiming to review risk management approach thoroughly at least twice a year. This ensures risk management is aligned and is part of the decision behind determining business operation strategy. Simultaneously, the Company set up Flood Scenario & Preparation plans for 7-Eleven stores, by studying for consistency with natural disaster statistics, coupled with the public sector's risk assessment data, such as spatial climate change-induced risk database. This could be used to substantiate risk assessment of store branches in each areas, to develop business continuity plans, and post-incident restoration plans. The extent includes reports on impacts from rising sea level, which may trigger floods and high-tides, subsequently culminating to saltwater instruction, directly to Risk Management Committee. This enables stipulation of directions and identification of crisis mitigation approach, such as.

- Changes for high-quality water filters that could affectively filter salinity
- Review and adjust conditions to select branch stores' location, with considerations to the increasing sea-level impacts
- Set up water-resilient store project, to ready branch stores against floods starting from the process of designing, mid-incident, to designing for mobility in case of relocation when needed
- Establish restoration plan for branch stores post-floods

Risks in Maintaining Capacities of Fresh Produce Suppliers in the Company's Supply Chain Post-Regional Transportation System

The expansion of product logistics and transportation to various regions, also known as Belt and Road Initiative, BRI I, commenced on the 3rd of December 2021, only the China-Laos Railway section. The boten – Vientien comprises 32 stations, consisting of 22 stations of product logistics, 10 stations for passengers. This would help expand the trade and tourism scope at a regional level with significantly reduced time used. The time used for transportation is only 7-9 hours and product logistics only 10-12 hours, meaning products will be delivered into Thailand within 48 hours, considerably much faster than the traditional counterpart (traditional road transportation requires 4-6 days, ships 12-17 days, and airplane 1-2 days). This shift helps fresh product groups to be distributed into Thai market more and transported much faster, likely to an even greater pace upon completion of domestic railway system in 2028, or within 6 years.

Business Impacts

It can be considered both opportunities and risks in business conduct. The challenges can be identified in 2 aspects, as follows.

- Challenges in controlling fresh food's quality to be at international standard throughout the product logistics and trans-shipment. Due to the difference in each country's production standard and the contamination detection standard, both of which are one of the initial risks relevant to regional transportation system, whether imports or exports, the impacts of products failing to meet standards can cost the Company's reputation, as well as expense from recalls unaligned with local standards.
- Competitive capacity of domestic suppliers, particularly farmers, SMEs, and regional producers. This is an apparent risk, due to the different production scale, manpower drainage, excess production, which would impact the production budget. Small suppliers unable to adapt or compete at a regional level would be forced out of the market, culminating in reducing strengths and diversity of the supply chain. Assessing impacts to retail business' fresh food product groups at over 234 SKUs, valuing over 850 million baht per year or impacts throughout supply chain estimating to be 14,285 million baht.

Measures and Management Approach

The Company has sped up in fostering suppliers' strength through various measures, ensuring SMEs suppliers are able to adapt and be ready to grasp sales and competitive opportunities at a regional level. This was achieved through promotional measures, as follows.

- Support producers to enhance products' quality and build distinction, difference, or capacity to present the products' values in order to increase competitive capacity at a regional level
- Purchase directly from farmers, including development of production by Siam Makro Public Company Limited under the CP ALL Group
- Promote quality assurance to align with international standards, from plantation, trimmings, to packaging, in order to manage investment in production and create acceptance regarding products' quality assurance
- Foster marketing and sales channel, as well as purchasing and deliver product distribution channels to SMEs producers, enabling circularity and ensuring investment for further development

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 at 31 December 2021, the Company and its subsidiaries had interest-bearing debt amounting to Baht 462,277 million, in which was debenture with fixed interest rate amounting to Baht 222,349 million and long-term borrowings from financial institutions amounting to Baht 108,697 million or accounted for 48.1 percent and 23.5 percent of the total interest-bearing debt respectively. Net debt to equity as determined in the bond covenants was at 0.9 times, lower than the level stipulated in the covenant for the year 2021. The Company also had borrowings from financial institutions denominated in United States Dollar equivalent to Baht 75,271 million

The Company's Risk Management

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

The Company had fixed interest rate Thai Baht debentures amount of Baht 222,349 million, which the Company plans to continuously reduce leverage ratio by using internal cash flow from operation. 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 Baht 20,000 million 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 contracts 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

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

Other intangible assets that are acquired by the Group and have finite useful lives i.e. computer program, customer database, and others, at which 1-15 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 associated 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, 2021, the Charoen Pokphand Group, represented the Company shares equal to 35.32 percent of the total issued shares; as a result, the agenda required by laws or regulations to be passed by at least three-fourths 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; 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 Risk of Investing in Foreign Securities

None

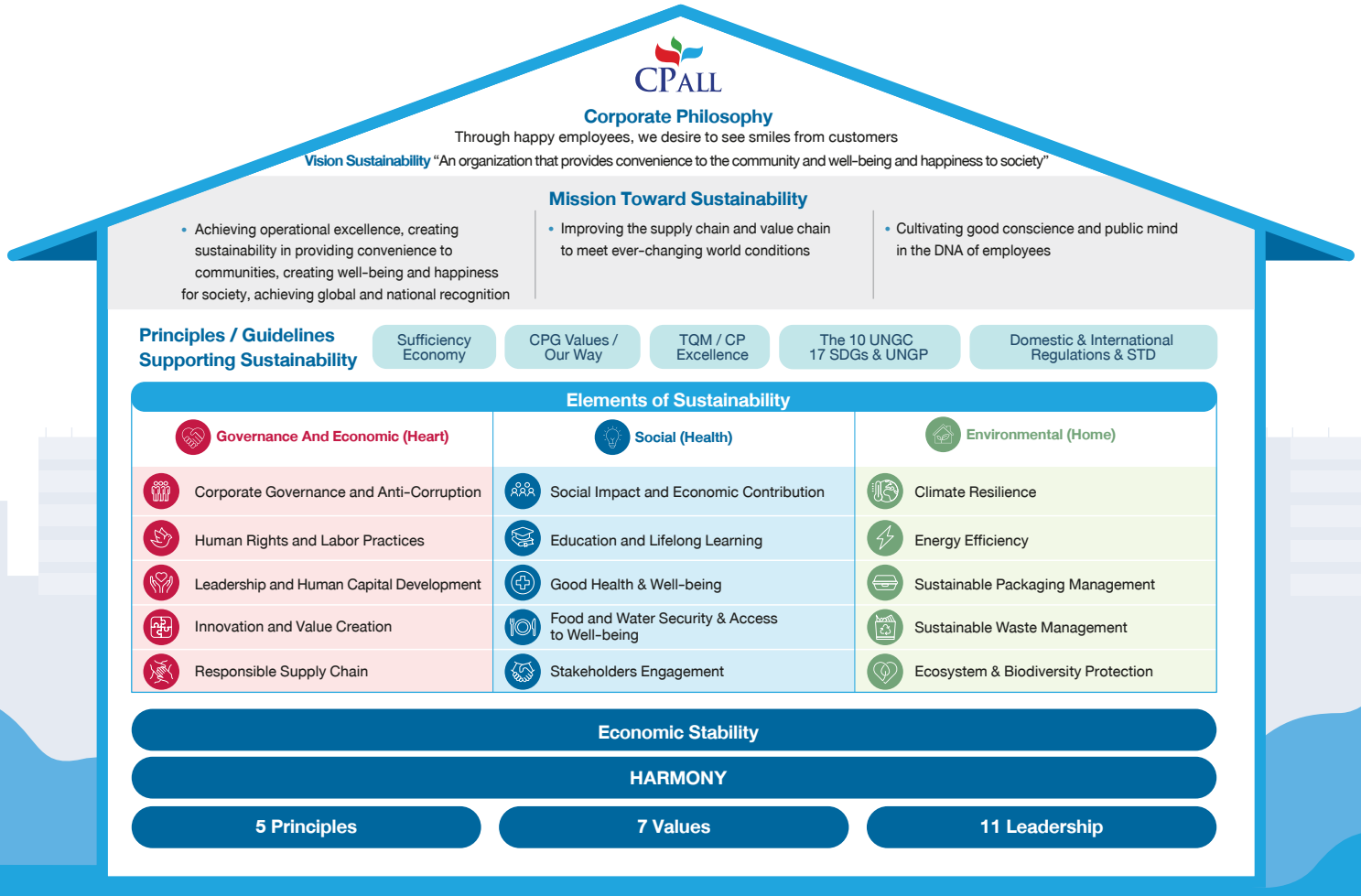
Driving Business for Sustainability

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 comprised of 15 sustainability-related issues in total covering 3 dimensions include those such as governance, society, and environment. Nevertheless, the Company has integrated its strategy for sustainability into its overall 2021 to 2025 plan. Spearheaded by the Sustainable Development Sub-Committee, this integration is crucial to the serious and effective implementation of the Company's sustainability initiatives.

In 2021, the Company's framework is based on three main pillars-heart, health, and home. The pillars aim to support sustainable development through good governance, fairness, and transparency as well as better society's quality of life. Furthermore, the pillars are meant to support environmental preservation for true organizational strength and competitiveness in the long run. At the same time, the Company recognizes the importance of meeting stakeholder expectations, which involve various international standards and related industry issues. It is focused on improving sustainable development, according to the 4 points, are; 1) access to safe food and water and good health, 2) energy efficiency, 3) sustainable packaging management, 4) sustainable waste management. Additionally, the Company also encourages a harmonious corporate culture that adds value to personnel, enabling them to achieve their own goals and grow along with the Company.



In 2021, the Company also has improved its framework for sustainable development in both the short and long term. Its Phase 2 operations, which covers 2021 to 2030, consider current events, global trends, as well as the Company's capabilities. New topics of focus include access to safe food and water and good health, energy efficiency, sustainable packaging management, and sustainable waste management. The action framework is as follows:

Corporate Sustainability Management Goals and Progress

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:

Heart : Living Right

Corporate Governance and Anti-Corruption	The Company's corporate governance rating is at excellence by an internationally recognized institute	Goal: Excellence Performance: Excellence
Human Rights and Labor Practices	The Company has continuously conducted Human Rights Impact Assessment following United Nations Guidelines, of its operations and suppliers with high sustainability risks	Goal: 100% Performance: 100%
Leadership and Human Capital Development	All leaders and employees will be involved in the learning process and activities on sustainability	Goal: 100% Performance: 100%
Innovation and Value Creation	Income from products and services innovation and new businesses including process innovation	Goal: 20% Performance: 8.40%
Responsible Supply Chain	Tier1 Supplier with high sustainability risk must receive comprehensive assessment and improved	Goal: 100% Performance: 94.69%

Health : Living Well

Social Impact and Economic Contribution	To develop skills and promote jobs to generate income for Small and Medium Enterprize (SMEs), and small entrepreneurs agriculturists, and vulnerable groups	Goal: 250,000 persons Performance: 200,411 persons
Education and Lifelong Learning	To support children, youth, adults, and vulnerable groups to education-having access to technical and professional skills necessary for their profession	Goal: 500,000 persons Performance: 272,200 persons
Good Health & Well-being	Increase the number of new health & nutrition products and services	Goal: 25% Performance: 19.40%
Food and Water Security & Access to Well-being	Support the underserved, impoverished, and vulnerable people in receiving access to safe food and water, as well as adequate well-being	Goal: 5,000,000 persons Performance: 891,078 persons
Stakeholders Engagement	All key stakeholder group engagement level	Goal: 80% Performance: 86%

Home : Living Together

Climate Resilience	To achieve Carbon Neutral by 2030 and Net Zero GHG Emissions by 2050	Goal: Carbon Neutral Performance: 4.16%
Energy Efficiency	To reduce the final energy consumption by comparing with the business-as-usual case (BAU)	Goal: 25% Performance: 1.68%
Sustainable Packaging Management	Private Brand utilizing plastic packaging must be reusable, recyclable, or compostable	Goal: 100% Performance: 85.09%
Sustainable Waste Management	Reduce excess or leftover food amount requiring disposal and reduce waste generated by the Company's operations	Goal: 100% Performance: 57.98%
Ecosystem & Biodiversity Protection	All areas of business operations have projects in collaboration with local and national stakeholders or independent third parties	Goal: 100% Performance: 87.18%

3.2 Managing Impact on Stakeholders in the Company's Value Chain

3.2.1 Corporate Value Chain

The Company's business operations are divided into 5 main activities, all of which impact stakeholders in the value chain. Details are as follows:

1 Sourcing and Procurement

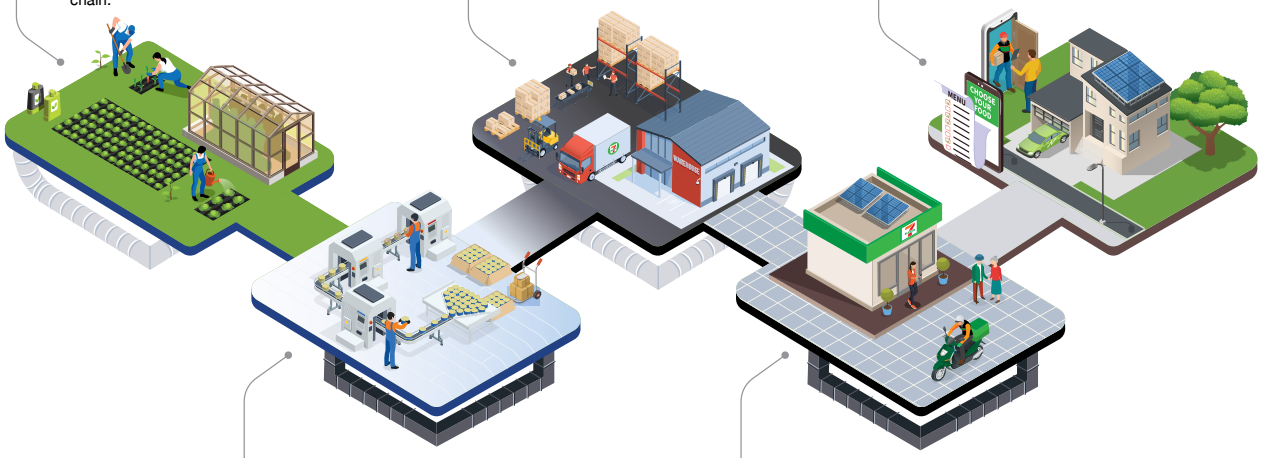
1. Materials, products and services, covering supplies used of sales activity have procured from numerous suppliers. The sourcing and procurement processes have considered both quality of deliverables and supplier' sustainability performances.
2. Quality assurance of raw materials, products, and services.
3. Environmental, Social, and Governance (ESG) risks assessment of raw materials, products, and services.
4. Enhancing Small and Medium Enterprises (SMEs) and farmers' capabilities in the supply chain.

3 Logistic and distribution ALL NOW MANAGEMENT

1. Readiness of product delivery and logistic covers receiving, storing, and preparing aiming for maintaining the great quality and freshness.
2. Logistic management minimizes the impacts on surrounding communities.
3. Management and expansion of distribution network and O2O delivery

5 Customer support and after sales service

1. Grievance mechanism obtains customers' feedback and suggestion which consideration feasibility and balancing other stakeholders' expectation.
2. Relationship management creates the best customers' experience.
3. Managing and protecting customers' data privacy.
4. Customer's needs measurement and market analysis are performed, in order to develop products, services, and new businesses continuously



2 Production and development cpram

1. Development and manufacturing quality products are responding to customers and society's needs, such as healthier products, or specific products that serve special demands of customer groups, in tandem with environmental and social consideration.

4 Retail and marketing

1. Retail business operates a variety of retail outlets where contributes free space available at the front of store for local community and underprivileged group distributing local products.
2. Retail and distribution via online channels.
3. Promoting responsible O2O sales
4. Quality assurance of product and operational standards of 7-Eleven.

Stakeholders Through Value Chain

	Suppliers, intermediaries for goods and services delivery and trade creditors	Governmental agency	Customer	Community	Opinion leader	Employee	Business partner	Shareholder and Investors	Commercial licensor
1	✓	✓	✓	✓		✓			
2	✓	✓	✓	✓		✓			
3	✓	✓	✓	✓	✓	✓			
4	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	

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

Sustainable Supply Chain Management Process

Integrate the concept of sustainability, reduce risks throughout the supply chain		Value and Develop Creation Support SMEs	
01 Communicate expectations, recruit, and select capable suppliers while considering sustainability criteria.	**02** Gain knowledge and manage suppliers' sustainability risks.	**03** Promote and support capabilities development.	**04** Establish and maintain a long-term relationship.

Additionally, the Company promotes activities that support the operation of main activities, such as recruitment, development, and retention processes as well as information technology management, risk management, data protection and security processes (cybersecurity), and building relationships with stakeholders.

3.2.2 Engaging with Stakeholders

CP ALL Public Company Limited and its subsidiaries ("Company") applied AA1000 SES standard principles as a framework and process to establish stakeholder engagement. In 2021, the Corporate Sustainability Development Subcommittee conducted a review that divided the stakeholder groups into 9 main groups as follows: 1) Employees and employees' families 2) Business allies consisting of landlords (Landlord), store partners (Store Partner), and district sub-licensee (Sub Area) 3) Shareholders and investors 4) Suppliers, intermediaries for goods and services delivery and trade creditors 5) Government sector 6) Customers 7) Society and community inclusive of vulnerable groups 8) Think-tank leaders inclusive of media and non-governmental organizations (NGOs) and 9) Trademark licensing groups. Through a means to acknowledge stakeholders' viewpoints, opinions and suggestions on Company operations, various communication means including meetings, discussions, interviews, feedback and grievances receiving channels, consultations, communications through various reports, organizing activities or collaborative projects inclusive of satisfaction surveys comprising of the three dimensions of sustainability, namely economic, social and environmental dimensions, have been established. Regardless of normal circumstances or critical situations, including the spread of COVID-19, which enables the Company to plan stakeholder expectation responses and value delivery efficiently, the Company prepares appropriate guidelines relating to the sustainability report.

(Please see additional details in Stakeholder Engagement in Sustainability Report 2021 of CP All Public Company Limited)

3.3 Environmental Sustainability Management

3.3.1 Environmental Policy and Practice:

"Seven Go Green" Strategy

The Company aims to operate and expand its business on the basis of environmental responsibility. Under its strategy of "7 Go Green," it aims to promote, and preserve the environment whilst reducing its environmental impact. This strategy includes guidelines that complies with the laws, rules, and regulations in each of the local areas in which it operates. Furthermore, it also complies with international standards and the United Nations' Sustainable Development Goals (UN SDGs). The 7 Go Green strategy covers operations throughout the value chain, which includes collaborating with stakeholders to implement environmentally friendly projects.

Presently, the "7 Go Green" strategy consists of four key points:

1. Green Store: Managing the store in an environmentally friendly manner.
2. Green Logistics: Engaging in environmentally friendly logistics and distribution.
3. Green Packaging: Using more environmentally friendly packaging.
4. Green Living: Raising awareness of the environment along with setting operational guidelines and goals to reduce environmental impact.

The Company's business operations are divided into the five following approaches:

- **Reducing Greenhouse Gas Emissions:** This is done by increasing energy efficiency and the use of renewable energy. The "Green Building" approach should be considered in designing buildings and operational areas. Electric vehicles (EV) will be of use to support more efficient logistics and distribution. Increasing the use of environmentally friendly packaging, reducing the use of single-use plastic and packaging waste will also help contribute to the reduction of greenhouse gas emissions. Another important initiative in this aim is to engage with stakeholders to execute environmental projects.
- **Efficient Energy Management:** This initiative focuses on increasing the use of environmentally friendly renewable energy. For instance, increasing energy efficiency in 7-Eleven stores, installing solar rooftops, using solar heating, and using geothermal energy. Additionally, the Company recognizes the importance of efficient water resource management throughout the supply chain. Water stress is conscientiously assessed in all operating areas and among Critical Tier 1 Suppliers. The Company's goal is to increase the proportion of water that is recycled and reused as well as promote awareness of proper water use within the organization and surrounding communities.
- **Sustainable Packaging Management:** The Company aims to minimize the amount of plastic and packaging waste sent to landfills by promoting a system that promotes a circular economy—"Reduce and Stop." This is done by working with stakeholders, including partners, customers, NGOs, communities, government agencies, and local and global organizations according to three main guidelines: 1.) Reduce plastic use at the source, 2.) reduce and replace plastic use at the consumption stage, and 3.) reduce plastic waste post-consumption. This must be done whilst continuing to develop and select environmentally packaging. Various initiatives that have been done include reducing plastic use for steamed rice cups, selecting biodegradable materials to use, and other projects to encourage Thai people to stop using plastic bags.
- **Sustainable Waste Management:** The objective of this initiative is to achieve zero waste going to landfills. To do this, food surpluses, food losses during the production process, food waste, and other kinds of waste arising from business operations are scrupulously managed according to the circular economy concept. Another key part of this initiative is building relationships with the appropriate stakeholders to execute projects such as reducing waste in production processes, encouraging surplus food donations through foundations, and activities raising awareness about food waste.
- **Protecting and Restoring Ecosystems and Biodiversity:** The Company is committed to protecting the loss of biodiversity whilst doing business. This is done by using various biodiversity assessment tools to avoid operations in any protected areas. The Company also cooperates with partners to carry out rehabilitation projects to conserve natural resources and diverse environments, reduce impacts on terrestrial and aquatic ecosystems, and restore and protect rich ecosystems and biodiversity. Such projects include tree planting activities with staff and checking up on dam construction projects.

3.3.2 Environmental Performance

From its environmental efforts, in 2021, the Company was able to reduce greenhouse gas emissions in Scope 1 and 2 by increasing the efficiency of its equipment; it was able to reduce the equivalent of 14,317.09 tons of carbon dioxide. It was also able to reduce energy consumption equal to 30,922.43 megawatt-hours and increase the use of renewable energy equal to 1,972.13 megawatt-hours. In terms of water resource management, the Company is committed to assessing risks of water shortage in all areas of its operations or 100 percent. The Company was able to reduce water use per unit of revenue by 16.27 m^3 per million Baht whilst increasing the proportion of water recycled and reused to 4.28 percent.

The Company has been dedicated to sustainable packaging management. This past year, it has reduced the amount of plastic bags and single-use plastic bags used equally to 26,405.15 tons per year. It has reused or recycled packaging amounting to 295.88 tons per year and used environmentally friendly materials equal to 1,240.80 tons per year. Due to its efficient waste management, the Company has successfully managed 69.8 percent of business waste by reusing and reducing 21,343.72 tons of excess food or food waste to protecting ecosystems and biodiversity. The Company manages biodiversity risks and undertakes ecological restoration projects such as its Perennial Planting Project for Sustainable Communities which includes approximately 228,240 trees planted.

The Company has been well-aware of the severity of climate change. Therefore, it is committed to being a part of the solutions by raising the intensity of its environmental initiatives through its 7 Go Green Strategy. This strategy includes being transparent about its environmental performance, which can be audited through GRI standards, a global reporting framework, and the CDP environmental index. Additionally, the Company conducts climate change risk and opportunities analysis in accordance with global assessment frameworks as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). It also issues measures to mitigate potential environmental impacts and requires that environmental data be used in considering any decisions regarding acquisitions and merging. The 2020 to 2030 situation of greenhouse gas emissions are carefully considered for decision-making, setting goals, and implementing actions plans in the short term (1 year), medium-term (3 to 6 years), and long term (10 years).

Investors may review more detailed information in the Company's Sustainability Report 2021 in the chapters on Climate Change Adaptation, Energy Efficiency, Sustainable Waste Management, Sustainable Packaging Management, and Protecting Ecosystems and Biodiversity.

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policies and Practices:

Co-Creation and Sharing Opportunities

The Company recognizes the importance of society in driving towards sustainable development. Therefore, it operates in accordance with the Company's Corporate Social Responsibility Policy. Enacted in 2017 the policy focuses on education and social values aligned with the United Nations' Sustainable Development Goals (UN SDGs) by supporting children, youth, adults, and vulnerable groups to have access to both formal and informal education as well as professional skills. At the same time, the Company operates in accordance with policies on human rights and labor practices, and diversity. These policies are communicated to all employees through a person responsible for the implementation of human rights. There is also a comprehensive review of compliance with human rights policies as well as whistle-blowing channels for those affected by human rights issues to determine appropriate remedial measures.

Additionally, the Company operates in accordance with policies on safety, occupational health, and working environments. It emphasizes the importance of safety and security, aiming to be an accident-free organization

that provides happiness and good quality of life for all of its employees. At the same time, the Company attaches great importance to its partners' sustainability practices. Therefore, it has put in place sustainable sourcing policies and guidelines for business partners. Suppliers are encouraged to comply with laws, regulations, and operations with regard to human rights, appropriate labor practices, and environmentally friendly operations.

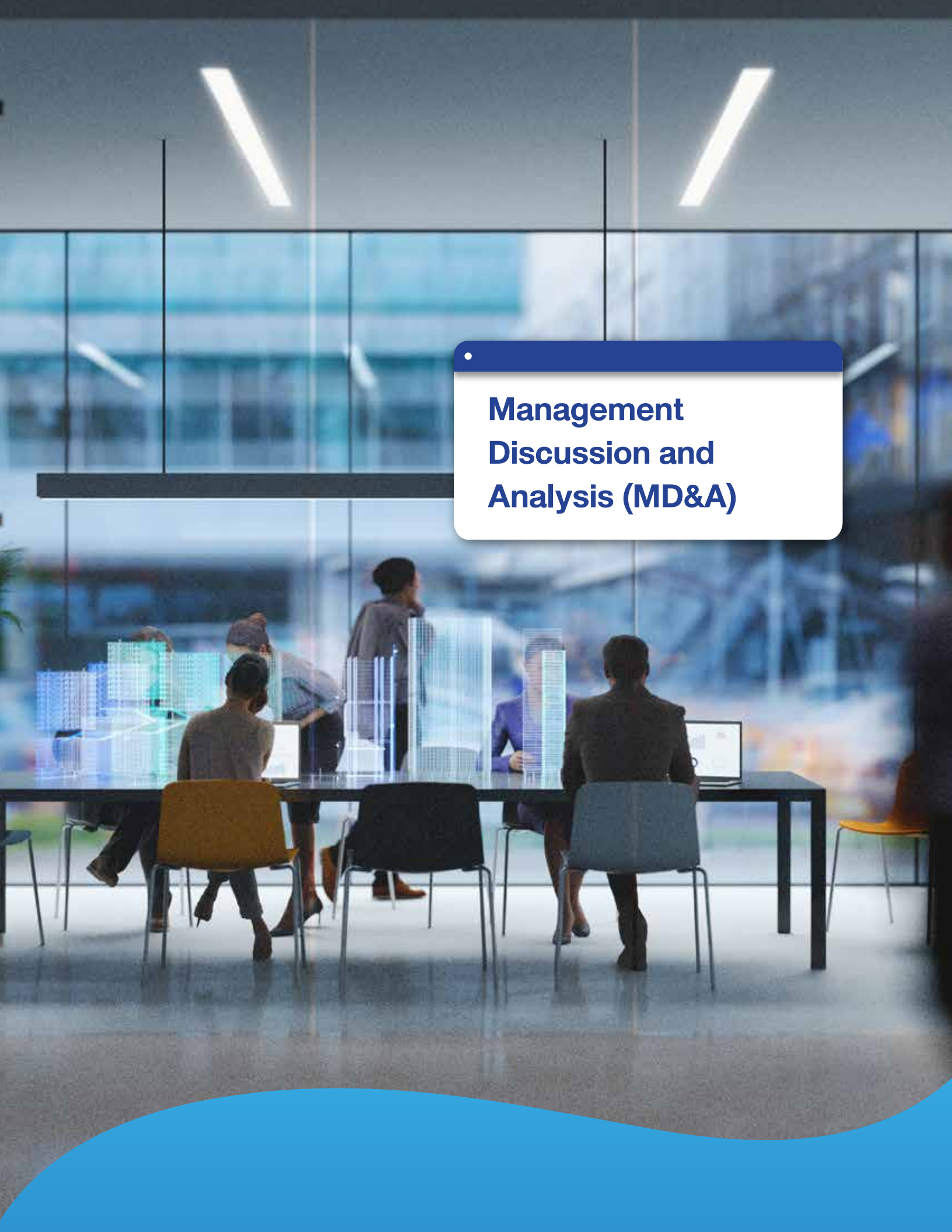
The Company continues to strive to develop its social support systems, surveying the opinions of its stakeholders on various issues through various channels. This way, it can keep informed and connected with its stakeholders' views and suggestions and build a good relationship with its stakeholders. In addition, the Company is dedicated to developing professional skills and promoting careers to generate income for farmers, small and medium-sized enterprises (SMEs), small enterprises, as well as vulnerable groups. These initiatives are included under Strategy 3, which states that the Company will help to "provide channels, educate, and support" through various social projects, such as by increasing distribution channels at both physical and online 7-Eleven stores. There are also projects to support Thai farmers, such as one to support the cultivation of chemical-free Homthong bananas, for instance.

3.4.2 Social Performance

In 2021, the Company has successfully promoted careers and generated income for farmers, small and medium-sized enterprises (SMEs), and small enterprises. Approximately 64,853 vulnerable groups and 47,300 local workers have been employed by the Company through projects aimed to build good relationships with people in the communities in which it operates. For instance, such programs include the support of One Tambon One Product (OTOP), welfare markets, and the promotion, development, extension, and support of distribution channels for entrepreneurs. Additionally, CPRAM Company Limited also provides knowledge to farmers on proper agricultural practices, according to the guidelines of Good Agricultural Practices (GAP) and purchases produce at fair prices. In showing social responsibility the Company also provides educational opportunities and supports careers by offering scholarships to youths and the underprivileged in the community. As of now, the Company has given 37,132 people a total of 37,132 scholarships worth 1,247million Baht.

In 2021, the consideration for human rights has been the center of all of the Company's activities, including its dealings with all of its business partners or 100 percent. It has organized a training course entitled "Human Rights and Business" for employees at management-level and above to promote a through understanding of the issue of human rights. Additionally, the Company is dedicated to supporting responsible supply chain; it aims for all of its suppliers to have a through understanding of sustainability issues. The Company has trained a total of 4,710 partners or 100 percent on the Supplier Code of Conduct and Ethics Handbook and assessed 100 percent of Tier 1 partners on their risk exposure. It has also conducted active findings in 73 site inspections high-risk partners. Additionally, 100 percent of high-risk partners already employed risk mitigation measures. The Company regularly holds meetings with partners to exchange ideas and make joint business plans to build good relationships with them and together, push for sustainable environmental and social operations.

For more information, investors can refer to the Company's Sustainable Development Report 2021 in the chapters about Respect and Compliance with International Human Rights Principles, Responsible Supply Chain Management, Creating Social Value in the Economy, and Support for Education and Lifelong Learning.



Management Discussion and Analysis (MD&A)

4. Management Discussion and Analysis (MD&A)

4.1 Analysis of Financial Position and Operating Results

Overview of Operating Performance

The economy is projected to be 0.2 percent in 2021, better than the previous year. Although it still affected by the COVID-19 pandemic, but in the last quarter of the year the economy began to recover. Private consumption began to increase following the relaxation of pandemic control measures. Meanwhile, merchandise exports also increased due to the recovering demand in trading partners and the problem of supply disruption that gradually subsided which eventually benefits to industrial production. The number of foreign tourists also increased after the reopening country. Private investment indicators rose in line with recovering demand and business confidence. While public spending expanded from last year from both fixed expenditure and investment expenditure on economic stability. For Inflation, it increased mainly in relation to energy prices and raw meat prices. The labor market improved in line with economic activities but overall still fragile. The overall Thai retail business in 2021 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 2021, financial position and operating results of the Company reported in the consolidated financial statements were generated from 3 main businesses including 1) Convenience stores business in Thailand 2) Grocery Wholesaling and Retailing businesses and 3) Other businesses such as manufacturing and sale of ready-to-eat food products, bill payment service, and sale and maintenance of retail equipment. The Company's total revenues were Baht 587,597 million, increased by 7.5 percent YoY and net profit were Baht 12,985 million, decreased by 19.4 percent YoY. Net profit included the impact of non-recurring items which consist of profit from sale of investments in subsidiaries and profit from step acquisition and deduction of impairment of intangible assets other than goodwill.

With regards to 7-Eleven store expansion, the Company planned to further open approximately 700 new stores annually and focus on delivering value to customers under the slogan "All Convenience", through a combination of online and offline channels. In terms of products, the Company emphasized on fresh, clean, and safe ready-to-eat food along with the development of new products with our partners for the purpose to offer a various and differentiated products. At the end of the year 2021, the Company had a total of 13,134 stores nationwide, increasing 702 stores from last year.

Analysis of Operating Results for the Year Ended December 31, 2021 Compared to the Operating Results for the Year Ended December 31, 2020

Total Revenues

In 2021, the Company reported total revenue at amount of Baht 587,597 million, increased by 7.5 percent from 2020.

Revenue from sale of goods and rendering of services was Baht 565,207 million, increased by 7.5 percent YoY as a consequence of the Company's adjustment in product and service strategies including the O2O strategy of each business unit in order to cope with the COVID-19 situation, also including the advantage of a low base revenue from the previous year. However, total revenue in 2021, particularly convenience stores business was still affected by the economic slowdown, declining in consumer purchasing power and changing in behavior of consumers towards a new normal lifestyle. While the COVID-19 control measurement that had been imposed from the beginning of the year to the beginning of the 4Q21 affected the number of customers and the number of operating hours. However, the grocery wholesaling and retailing business especially the Makro business was able to maintain the growth of revenue from sales of goods and rendering of services.

Others consisted of interest income, dividend income, foreign exchange gain, gain from sale of investments in subsidiaries and other income at total amount of Baht 22,390 million, increased by 8.1 percent YoY. This was mainly due to an increase of foreign exchange gain by Baht 181 million from last year, resulting from the difference in net exchange rates of foreign currency assets and liabilities as of December 30, 2021. In addition, it also included gain from sale of investments in subsidiaries which was ALL Now Management Company Limited.

*Total revenues before elimination contributed from three businesses were, (Group 1) convenience stores business accounted for 50 percent (Group 2) grocery wholesaling and retailing business accounted for 42 percent, and (Group 3) other businesses in Thailand accounted for 8 percent. Revenue contribution from Group 2 significantly increased from previous year as a result of acquisition through business combination of Makro and Lotus's since October 25, 2021.

* Total revenues before elimination excluded gain from sale of investments in subsidiaries and gain on step acquisition

Gross Profit

In 2021, the Company reported gross profit at Baht 120,369 million, increased by 4.7 percent YoY mainly due to an increase of sales revenue from Makro business along with gross profit from Lotus's business after acquisition through business combination. Nevertheless, the higher proportion of gross profit in businesses that contribute lower gross margin, affected to a decrease of consolidated gross profit margin to 21.3 percent from 21.9 percent in 2020.

Distribution Costs and Administrative Expenses and Other Expenses

In 2021, the Company reported distribution costs and administrative expenses and other expenses at total amount of Baht 124,026 million, increased by 15 percent YoY which mainly from impairment for loss on intangible assets other than goodwill at amount of Baht 7,159 million. While distribution costs and administrative expenses were controlled under the current situation. Details of distribution costs and administrative expenses were as follows:

Distribution costs were Baht 97,680 million, increased by 6.7 percent YoY mainly due to acquisition through business combination. The core expenses consisted of employee benefits, promotional expenses, store management fee, utilities and depreciation expenses. However, distribution costs for conveniences store business and Makro business were similar to previous year as a result of stringent cost control and continually reduce unnecessary expenses together with the strong purpose to expand store in potential areas to achieve long term goals.

Administrative expenses were Baht 19,186 million, increased by 12.8 percent YoY. Apart from acquisition through business combination, an increased administrative expenses consisted of employee benefits, transaction fees and other fee. For the Company, core expense that increased was employee benefits as the Company has a policy to keep employees safe during the COVID-19 outbreak, including store employees and employees in the distribution center, including further cost to maintain or clean the store and distribution center for the safety of employees and customers.

Profit Before Tax and Net Profit

In 2021, profit before tax was Baht 12,577 million, decreased by 34.7 percent YoY and reported Net Profit at amount of Baht 12,985 million, decreased by 19.4 percent YoY as operations continually affected by economic activities. In addition, CPALL recorded a share of loss of associates and joint ventures under the equity method of Baht 226 million (before entire business transfer transaction), also reported an increased finance costs from Lotus's acquisition since the end of 2020. Furthermore, in the middle of 2021, the Company issued Thai Baht bonds with fixed interest rates to repay loans from financial institutions before maturity in order to mitigate foreign currency risk and interest rate risk and reduce some interest burden. For earnings per share according to the consolidated financial statements in 2021, it amounted to 1.33 Baht.

For Retail and Mall rental business, namely C.P. Retail Holding Company Limited (Lotus's), the Company acquired this business at the end of 2020 by holding 40 percent stake, resulted in Lotus' status as an associate of the Company. However, in 2021, the Company has internally restructured by the Company's shareholders approved Siam Makro Public Company Limited (Makro) (a direct subsidiary of the Company) to enter into entire business transfer of Lotus's in October 2021. After the completion of the above transaction, Lotus's became a direct subsidiary of Makro and an indirect subsidiary of the Company.

In December 2021, Makro issued and offered newly issued ordinary shares to the public, at the same time the Company also offered a portion of the ordinary shares in Makro which are held by the Company to the public. After the completion of this transaction, shareholding portion of the Company in Makro decreased to 59.92 percent, which resulted in an increase in non-controlling interests.

*Proportion of profit before finance costs and tax expense before elimination contributed from three major businesses, included (Group 1) convenience stores business accounted for 55 percent (Group 2) grocery wholesaling and retailing business accounted for 33 percent, and (Group 3) other businesses in Thailand accounted for 12 percent. The proportion of Group 2 increased from previous year mainly from profit growth of Makro business together with acquisition through business combination in this year.

* Profit before finance costs and tax expense before elimination excluded gain from sale of investments in subsidiaries and gain on step acquisition

Operating Results by Business Segments

Convenience Stores Business

In 2021, the Company continued to expand "7-Eleven" stores to serve convenience to all communities in Bangkok and provincial areas. The new stores were in various store types 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 2021 CPALL has successfully opened 702 new stores. At the end of 2021, CPALL operated 13,134 stores nationwide, which consisted of 6,280 corporate stores (48 percent of total stores), increased by 595 stores, 6,020 SBP stores (46 percent of total stores), increased by 101 stores, and 834 sub-area stores (6 percent of total stores), and increased by 6 stores.

Regarding products and services, CPALL strived to become "All Convenience" with the continuous improvement in food and beverages and new products which has received great feedback from customers who looking for convenience, fast and value of products. In 2021, food and beverage products accounted for 73.7 percent of sales mix, while non-food items (excluding phone cards) accounted for 26.3 percent. The sales mix from both groups was similar to the previous year. The proportion of food and beverage products increased from the previous year due to the changing behavior of consumers, included the launch of new products along with the promotion of the food and beverage group which can attract more customers.

In 2021, the convenience store business had total sales revenue and service income of Baht 290,228 million, decreased by Baht 10,477 million or 3.5 percent YoY. In 2021, SSSG was at -6.7 percent with average sales per store per day at amount of Baht 65,928, along with average spending per ticket at Baht 82 and there were 805 customers per store per day. Nevertheless, COVID-19 pandemic still had an impact on the changes of consumer behavior. In the midst of these changes, the convenience store business has been proactive in transforming its business strategy in order to maintain existing customer base and to expand to new customer base by launching new products and offering attractive

promotions as well as adding distribution channels. 7-Eleven products can now be accessed through different channels and platforms under the concept of a convenient. Customer can access through physical stores, vending machine, as well as online platform i.e. 7-delivery application which is an on-demand delivery and ALL Online, department store near your place, also ShopAt 24, all of online channels were offered customers with alternative option to order and deliver products to the destination according to the customer's choice. This strategy has been well received from existing and new customers.

Convenience stores business reported gross profit at amount of Baht 79,450 million, decreased by Baht 4,274 million or 5.1 percent YoY. Gross profit margin was at 27.4, decreased from 27.8 in previous year which mainly from a decreased proportion of high margin products and the economies of scale at the distribution centers were reduced due to the decrease in sales according to the situation.

Meantime, other income of the convenience stores business increased to Baht 20,806 million, increased by Baht 234 million or 1.1 percent YoY which mainly due to the revenue from utilizing store's area, follow an increase of number of stores.

In addition, convenience stores business recognized gain from sale of investments in subsidiaries at amount of Baht 1,711 million, consisted of gain from sale of investment in ALL Now Management Company Limited and gain from Makro's public offering transaction at the end of 2021.

Distribution cost and administrative expenses were Baht 90,436 million, increased by Baht 1,302 million or 1.5 percent YoY. However, the company still put best effort to control expenses tightly and to be efficient as possible. This year, the company expanded 7-Eleven stores at 702 stores and increased more channels for customers to access products and services. In accordance with the existing pandemic situation in 2021, the Company had a further cost to ensure the safety of employees in all sectors as mentioned above.

Therefore, convenience stores business reported operating profit of Baht 19,221 million, a decrease of 14.2 percent YoY, and a net profit of Baht 9,032 million, a decrease of 36.8 percent YoY.

Other Businesses

Other businesses comprise of bill payment services, banking agents, manufacturing and sale of ready-to-eat food, distribution and maintenance of retail equipment and other businesses that mainly support the convenience stores business. The Company proactive to develop new innovations to be more in line with the needs of customers both products and services that offer to customers within 7-Eleven stores, as well as the development of new channels and distribution models such as e-commerce, which help customers to be more convenient and generate revenue growth for the Company in the future.

In 2021, other businesses reported profit before tax at Baht 3,355 million, decreased 26.2 percent YoY mainly due to economies of scale and an incremental cost of maintaining business continuity, together with an increase in distribution costs and administrative expenses due to the cost of ensuring the safety of employees in pandemic situation.

Grocery Wholesaling and Retailing businesses

In 2021, Grocery Wholesaling and Retailing businesses reported profit before tax at Baht 8,322 million, increased by 3.4 percent YoY mainly from acquisition of Retail and Mall rental businesses, together with the increased sales revenue and efficient cost control of Makro business. (Note: investors can find additional details in MD&A for the year 2021 of Siam Makro)

Non-Recurring Items and Other Income

In 2021, the Company reported Non-recurring items in consolidated financial statements which included gain from sale of investments in subsidiaries and gain on step acquisition as well as an impairment on intangible assets other than goodwill in total amount of Baht 873 million. For other income, it increased to Baht 20,536 million, increased by Baht 213 million from last year or 1.0 percent YoY. Other income in 2021 was divided into sales promotion income of Baht 12,267 million, decreased by 3.2 percent YoY, and royalties and other fees relating to license income of Baht 2,272 million, decreased by 0.5 percent YoY. While, other income such as rental and service income in convenience stores and other income from grocery wholesaling and retailing businesses and etc., amounted to Baht 5,997 million, increased by 11.8 percent from previous year.

Analysis of the Company and its Subsidiaries' Financial Status for the Year Ended December 31, 2021

Total Assets

As at December 31, 2021, the Company and its subsidiaries reported total assets of Baht 931,893 million, increased by Baht 408,538 million or 78.1 percent from last year. This was largely from a business combination through acquisition which affected to an increase of cash and cash equivalents, fixed assets and goodwill at amount of Baht 51,759 million, Baht 136,512 million and Baht 232,545 million respectively. While investment in associate decreased from internally restructuring by Baht 76,413 million. Assets with significant changes were as follows:

Cash and cash equivalents was Baht 92,348 million, or 9.9 percent of total assets, an increase of Baht 51,759 million or 127.5 percent YoY, similar to current investments that also increased by Baht 4,786 million or 0.5 percent of total assets, increased by Baht 4,749 million, mainly due to cash received from the issuance of newly issued ordinary shares of Siam Makro Public Company Limited during the end of December 2021.

Trade accounts receivable was Baht 3,341 million, or 0.4 percent of total assets, increased by Baht 1,690 million or 102.4 percent YoY, most of the trade accounts receivable arose from grocery wholesaling and retailing businesses with a payment period of more than three months. As a result, the average collection period increased from the previous year to 1.59 days.

Other current receivable was Baht 13,745 million, or 1.5 percent of total assets, increased by Baht 6,567 million or 91.5 percent YoY which due to an increase through business combinations and increase of sales. Majority of trade account receivable were accrued revenue from joint promotion, royalty or service income including prepaid expenses which increased mainly from other businesses

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 analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Inventories were Baht 50,535 million, or 5.4 percent of total assets, increased by Baht 18,786 million or 59.2 percent YoY which mainly from an arise of finished goods. Thus, inventory turnover ratio decreased to 10.81 times in 2021 from 12.98 times in 2020 as a consequence of the consolidation of the subsidiary's inventories.

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 2021, investments in subsidiaries were Baht 281,357 million, up by Baht 80,347 million or 40.0 percent YoY. This was due to an increase of investment in Siam Makro Public Company Limited from entire business transfer and public offering transactions (disclosed in notes to financial statements no.4), together with an increase of investment in Albuera International Limited to support the Company's overseas investment in the future.

Property, plant and equipment amounted to Baht 211,533 million or 22.7 percent of total assets, increased by Baht 91,357 million or 76.0 percent YoY. This was from store expansion of 7-Eleven convenience stores and business combination of subsidiaries before elimination at amount of Baht 77,943 million. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Goodwill was Baht 360,641 million or 38.7 percent of total assets, increased by Baht 232,545 million or 181.5 percent YoY. The main reason was that Siam Makro Public Company Limited enter into the entire business transfer transaction of C.P. Retail Holding Company Limited (Lotus's) in October 2021. In addition, it also increased from Siam Makro Public Company Limited's direct and indirect 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.

Goodwill is measured at the acquisition date for the fair value of the consideration transferred, including the recognition of a non-controlling interest in the acquiree and deduct the fair value of the identifiable assets acquired and liabilities acquired, measured at the acquisition date, any gains on purchases at lower than fair value are recognized in profit or loss.

Other intangible assets were Baht 51,115 million or 5.5 percent of total assets, a majority of which was an intellectual property amounted Baht 39,356 million, arose from business combination of Siam Makro. Other intangible assets were divided into two categories: 1) asset with finite useful lives i.e. computer software and customer database with useful life of 1-15 years are measured at cost less accumulated amortisation and accumulated impairment losses and 2) other intangible assets that have indefinite useful lives i.e. intellectual property, business license, etc. are measured at cost less accumulated impairment losses. Amortization is calculated on a straight-line basis over the expected useful life of the intangible assets and recognized in profit or loss. The Company does not have amortization for computer software under development.

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 at December 31, 2021, the Company and its subsidiaries had total liabilities of Baht 639,085 million, increased by Baht 227,326 million. Liabilities with significant changes were as follows:

Trade accounts payable were Baht 106,863 million or 16.7 percent of total liabilities, increased by Baht 34,086 million or 46.8 percent YoY which mainly from business combination of subsidiaries.

Interest-bearing liabilities were Baht 462,277 million or 72.3 percent of total liabilities, increased by Baht 169,309 million or 57.8 percent YoY, mainly due to an increase of short-term and long-term borrowings from financial institutions which partly from business combination of subsidiaries. In addition, an increase also came from new debentures that issued to repay loan from financial institutions.

Deferred tax liabilities were Baht 17,848 million or 2.8 percent of total liabilities, increased by Baht 2,901 million due to fair value adjustment of asset acquired from the business combination of grocery wholesaling and retailing businesses. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Regarding contingent liabilities and off balance sheet liabilities management, the Company has contingent liabilities with third parties including: 1) commitments for capital expenditure, which is the contract that has not yet been realised such as cost of construction of new factories, cost of installing the machinery and computer system development 2) 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. In this regard, contingent liabilities and off-balance sheet liabilities management additionally disclosed in the notes to the financial statements no. 36.

Total Shareholders' Equity

As at December 31, 2021, the Company had total shareholders' equity of Baht 292,807 million, increased by Baht 181,212 million or 162.4 percent YoY mainly due to an increase of non-controlling interests because of the decrease in the shareholding proportion in subsidiaries.

Analysis of Statements of Cash Flows, Liquidity and Sources of Funds of the Company and its Subsidiaries for the Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Liquidity

As at December 31, 2021, the Company reported cash and cash equivalent of Baht 92,348 million, accounting for 9.9 percent of total assets. Nevertheless, the Company's liquidity remained healthy from efficient working capital management, having negative cash cycle of 38 days in 2021 which resulted from inventory period of 33 days, payable period of 73 days, and receivable period of 2 days.

Cash Flow from Operating Activities

In 2021, net cash flow from operating activities totaled Baht 46,319 million, increased by 18.3 percent from the same period of last year. This was caused by the business combination of subsidiaries and increased cash from working capital management

Cash Flow from Investing Activities

In 2021, net cash flow used in investing activities amounted to Baht 2,097 million, dropped from cash used in investing activities in the previous year amounting to Baht 97,404 million. In the previous year, investments in associated companies amounted to Baht 80,936 million. Nevertheless, the main activities occurred in 2021 were cash paid for the purchase of land, buildings and equipment at amount of Baht 14,017 million, while the cash received from the entire business transfer amounted to Baht 13,165 million.

Cash Flow from Financing Activities

In 2021, net cash flow used in financing activities totaled Baht 7,510 million. Net cash from financing activities were mainly from proceeds from issuance of newly ordinary shares and short-term borrowings from financial institutions and proceeds from issuance of debentures. Meantime, net cash used in financing activities were mainly from interest payment, dividend payment, as well as repayment of long-term borrowings from financial institutions and matured issuing debentures and etc.

Financial Ratio Analysis

Net Debt to Equity

As at December 31, 2021, the Company net debt to adjusted equity according to definition of debenture covenants was at 0.90 time, decreased from 1.62 times in 2020 due to a significantly increase of shareholders' equity from non-controlling interests as mentioned above.

As at December 31, 2021, the Company outstanding debentures were at Baht 222,349 million. 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 31 December of each year which audited by the Company's auditor. Therefore, net debt to adjusted equity is expected to be lower than 2 times since December 31, 2018 onward.

Debt-Service Coverage Ratio[1]

As at December 31, 2021, the Company's debt-service coverage ratio was at 0.70 time, dropped from 2.32 times in last year. This was mainly due to the increase of long-term borrowing from financial institutions, which mainly from business combination of subsidiaries.

Interest Coverage Ratio[2]

As at December 31, 2021, the Company's interest coverage ratio was at 3.42 times, dropped from 5.68 times in 2020 mainly due to higher finance costs.

Liquidity Ratio and Quick Ratio

As at December 31, 2021, the Company's liquidity ratio was 0.77 time. Meantime, quick ratio was at 0.47 time slightly higher from the previous year as a result of increased assets.

Return on Shareholder's Equity

In 2021, the Company's return on shareholder's equity decreased to 12.9 percent compared with 16.9 percent in last year. The DuPont Analysis is as follow:

DuPont Analysis	2021	2020
Profit Margin (percent)	2.21	2.95
Total Asset Turnover (times)	0.81	1.22
Equity Multiplier (times)	3.60	3.85

1 Calculated by earnings before interest, taxes, depreciation. and amortization / short-term interest-bearing debt + interest-bearing long-term debt due in 1 year

2 Calculated by earnings before interest, taxes, depreciation. and amortization / interest expense

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 behavior 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 from 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 it in both short term and long term strategy in order to response and satisfy current customer's expectation as well as future expectation, under 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 percent holding by Albuera International Limited which is the Company's direct subsidiary with 100 percent 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. In 2021, when the pandemic situation was getting better, people in each country were vaccinated to reduce their risk of infection. And the lower severity of symptoms from COVID-19 had made economic activities tend to increase, causing the Company to open its first 7-Eleven store in Phnom Penh, Cambodia in August 2021 and plans to open a 7-Eleven branch in the Lao People's Democratic Republic in 2022.

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.

According to the acquisition of C.P. Retail Holding Company Limited ("CPRH") at the end of 2020 by holding 40 percent stake, in which CPRH is a wholly owned shareholder in C.P. Retail Development Company Limited ("Lotus's"). After that, Siam Makro Public Company Limited (Makro) entered into entire business transfer of Lotus's on October 25, 2021. After the completion of the above transaction, Lotus's became a direct subsidiary of Makro and an indirect subsidiary of the Company. The aforementioned shareholding structure is appropriate and consistent with the company's long-term policy and strategy to become the leader in grocery wholesaling and retailing industry in the region as well as increase the ability to compete with e-commerce companies or international technology companies that come to compete in Thailand and respond to rapidly changing consumer behavior.

4.3 Key Financial Information

Items (Unit : Million Baht)	2019	2020	2021
Statement of income			
Revenue from sale of goods and rendering of services	550,901	525,884	565,207
Other income	20,209	20,706	22,390
Total revenues	571,110	546,590	587,597
Cost of sale of goods and rendering of services	426,063	410,880	444,838
Gross Profit	124,838	115,004	120,369
Distribution costs and Administrative expenses	111,562	107,858	124,026
Profit from operating activities	33,485	27,852	18,733
Finance costs	6,721	8,526	12,643
Share of loss of associate and joint venture accounted for using equity method	-	63	226
Profit before income tax expense	26,764	19,262	12,577
Income tax expense	4,070	2,759	525
Non-controlling interests	(351)	(400)	933
Net Profit	22,343	16,102	12,985
Statement of financial position			
Total assets	375,617	523,354	931,893
Total current assets	71,923	81,426	165,773
Cash and cash equivalents	29,861	40,589	92,348
Current investments	659	37	4,786
Trade accounts receivable	1,718	1,650	3,341
Other current receivables	7,729	7,178	13,745
Inventories	31,538	31,749	50,535
Other current assets	419	223	1,019
Non-current assets	303,694	441,929	766,119
Investment in related company	34	34	821
Investment in associate	-	85,552	9,139
Investment in joint venture		0	4,875
Other long-term investments	2	2	2
Other non-current receivables	1,576	171	224
Net fixed assets	116,415	120,510	257,022
Investment properties	333	333	45,489
Property, plant and equipment	116,082	120,177	211,533
Goodwill	128,096	128,096	360,641
Right-of-use assets	-	52,899	77,266

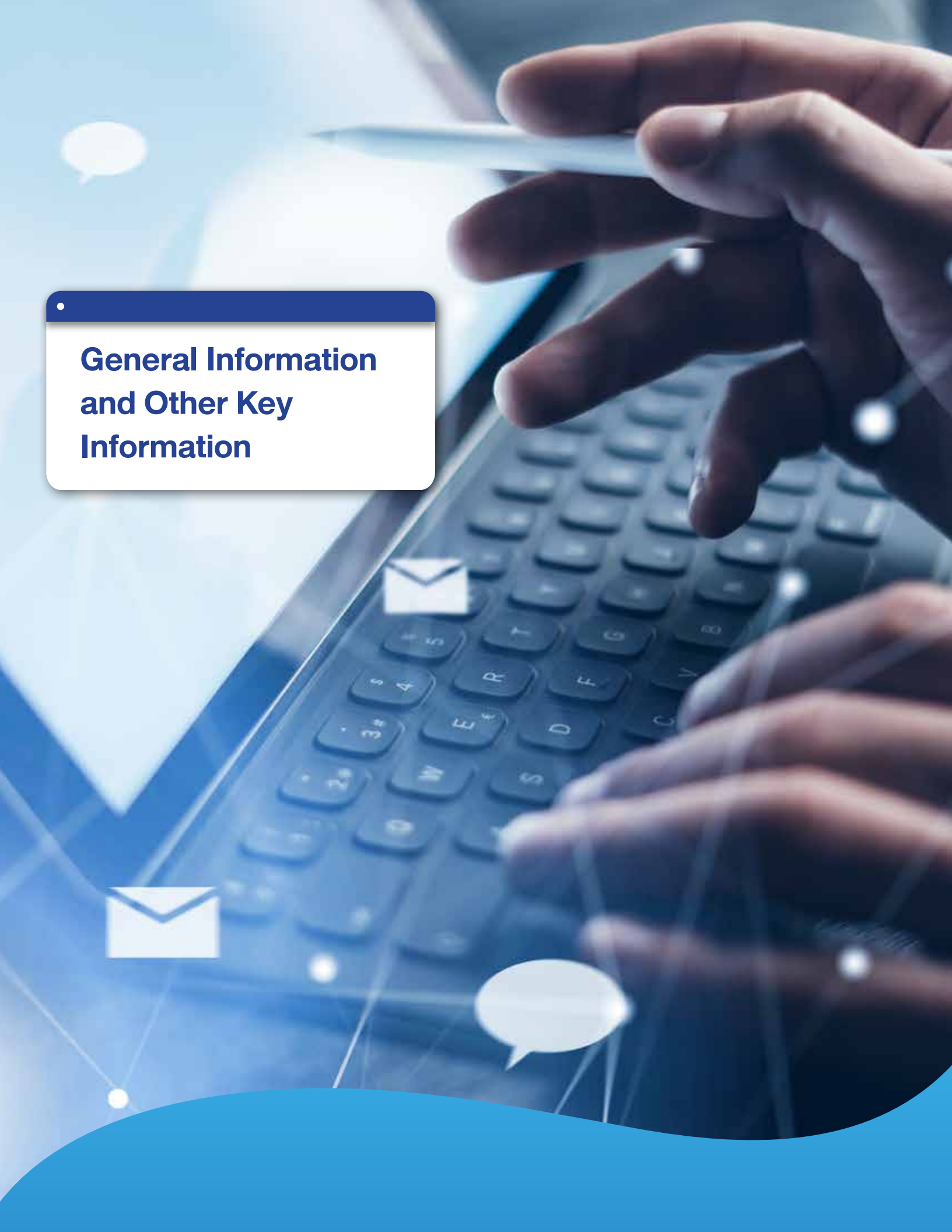
Items (Unit : Million Baht)	2019	2020	2021
Leasehold rights	3,917	0	0
Intangible assets other than goodwill	51,384	51,706	51,115
Deferred tax assets	1,291	1,786	2,599
Other non-current assets	979	1,172	2,414
Total liabilities	267,250	411,759	639,085
Total current liabilities	112,917	123,275	214,888
Short-term borrowings from financial institutions	3,327	1,050	42,691
Trade accounts payable	78,550	72,778	106,863
Other payables	15,170	14,800	31,803
Current portion of debentures	12,290	14,501	16,998
Current portion of long-term borrowings from financial institutions	239	5,325	2,369
Other current liabilities	3,342	14,822	14,165
Total non-current liabilities	154,333	288,485	424,197
Debentures	120,594	138,495	205,351
Long-term borrowings from financial institutions	8,599	83,008	106,328
Lease liabilities	549	43,183	78,597
Deferred tax liabilities	15,004	14,947	17,848
Other non-current liabilities	9,586	8,852	16,072
Total equity	108,368	111,595	292,807
Equity attributable to equity holders of the Company	93,739	96,759	104,134
Non-controlling interests	14,629	14,836	188,673
Perpetual subordinated debentures	19,909	19,909	19,911
Statement of cash flows			
Net cash from operating activities	40,477	39,148	46,319
Net cash used in investing activities	(16,584)	(97,405)	(2,097)
Net cash from (used in) financing activities	(27,938)	68,959	7,510
Net increase (decrease) in cash and cash equivalents	(4,162)	10,729	51,732
Cash and cash equivalents at 31 December	29,861	40,589	92,348

	2019	2020	2021
Liquidity Ratios			
Current Ratio (times)	0.64	0.66	0.77
Quick Ratio (times)	0.29	0.34	0.47
Cash Flow Liquidity Ratio (times)	0.26	0.33	0.43
Account Receivable Turnover (times)	293.22	312.26	226.50
Average Collection Period (days)	1.23	1.15	1.59
Inventory Turnover (times)	13.94	12.98	10.81
Average Sale Period (days)	25.82	27.72	33.30
Account Payable Turnover (times)	5.42	5.43	4.95
Average Payment Period (days)	66.47	66.29	72.69
Cash Cycle (days)	(39.43)	(37.42)	(37.81)
Profitability Ratios			
Gross Profit Margin	22.7	21.9	21.3
Operating Profit Margin	5.9	5.1	3.2
Net Profit Margin	3.9	2.9	2.2
Debt to Equity Ratio (times)	1.06	2.26	1.25
Debt to Equity Ratio by definition of Terms and Conditions (times)[3]	0.94	1.62	0.90
Debt to EBITDA (times)	2.58	5.20	8.45
Debt to EBITDA (times)[4]	2.56	4.16	6.40
Return on Assets	6.0	3.6	1.8
Operating Efficiency Ratios			
Return on Assets	6.0	3.6	1.8
Return on Fixed Assets	29.4	23.5	9.9
Assets Turnover (times)	1.52	1.22	0.81

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. No.1, Empire Tower, 50th-51th Floor Sathorn Road, Sathorn district, Bangkok Telephone : 0-2677-2060
The Registrar and Bondholder Representative	Debenture No.1/2013 The registrar - Krungthai Bank Public Company Limited 977/3, SM Tower 4th Floor, Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400 Telephone : 0-2298-0830 Ext. 129 Bondholder Representative - Siam Commercial Bank Public Company Limited Building 2, 3rd Floor, No. 1060 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400 Telephone: 0-2256-2316 Debenture No.1/2014, No. 2/2014, No.3/2014, No.3/2017, No.1/2019, No.1/2020, No.2/2020, No.1/2021, No.2/2021, and Perpetual Subordinated Debenture No.1/2017, No.1/2021 The registrar and bondholder representative - Krungthai Bank Public Company Limited 977/3 SM Tower 4th Floor Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400 Telephone: 0-2298-0830 Ext. 129 Debenture No.1/2015, No.2/2015, No.1/2016, No.2/2016, No.1/2017 and No.2/2017 The registrar - Krungthai Bank Public Company Limited 977/3 SM Tower 4th Floor, Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400 Telephone : 0-2298-0830 Ext. 129

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 states 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.

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 with 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

do not approve international money transfers for 7-Eleven, Inc. or do not approve 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 listening 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. has 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 of 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. It 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 for 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 the 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 does 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 a 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

Bangkok Bank Public Company Limited

Address	333 Silom Road, Silom, Bangrak, Bangkok 10500
Telephone	0-2230-2328, 0-2353-5421 and 0-2230-1704

Bank of Ayudhya Public Company Limited

Head office Address	1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Contact Address	550 Pleonchit Road, Lumpimi, Pathumwan, Bangkok 10330
Telephone	0-2296-4776

KASIKORNBANK Public Company Limited

Head Office Address	1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana, Rat Burana, Bangkok 10140
Contact Address	400/22 Phahon Yothin Road, Sam Sen Nai, Phaya Thai, Bangkok 10400
Telephone	0-2470-3274 (Institutional investor) or 0-2470-3074 (High net worth)

Siam Commercial Bank Public Company Limited

Address	9 Rutchadapisek Road, Jatujak, Jatujak, Bangkok, 10900
Telephone	0-2544-5740

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 applicable 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.

(Details of Corporate Governance Policy and related Guidelines are on the Company's website: www.cpall.co.th.)

Section 1 Right of Shareholders

All shareholders are entitled to their basic rights, both as an investor and corporate owner, through accepted and trusted methods and standards. These rights include, but not limited to, 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 make a decision on important matters of the Company such as the selection of directors and giving an approval to any important business transactions that will have an impact on the Company's business direction. All shareholders have the right to vote according to the number of shares they hold. Each share is entitled to one vote and no share has special privileges above other shares.

Besides the above basic rights, the Company also encourages shareholders to exercise 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 nominate director candidates and propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2021. 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's system from September 28, 2020 to December 31, 2020. This was done 90 days before the last day of the fiscal year to allow time for the Company Secretary to review 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 nominated director candidates or proposed additional agenda items in advance.

The Annual General Meeting of Shareholders for the Year 2021 was held on 23 April 2021 at the 16th floor, Auditorium meeting room, CP ALL Academy, 85/21 Moo 2, Chaengwattana Road, Bang-Talad Subdistrict, Pak Kret District, Nonthaburi Province. As the Meeting was held during the COVID-19 pandemic situation, the precautionary measure and Guidelines, therefore, were set as follows:

1. The distance of seating arrangement was 2 meters apart, and the number of available seats was limited to 50.
2. The meeting needs to be short, concise and finished within 1.30 hours.
3. The attendees must wear face mask at all times.
4. No microphone was provided. Attendees who had questions would write in the paper and pass to the company staffs. The Company did not consider any other matters other than the meeting agenda voting during the meeting. Instead, other opinions, suggestions, or questions relating to the agendas proposed will be answered and published on the Company's website.

Furthermore, the Extraordinary General Meeting of Shareholders No.1/2021 was held on 12 October 2021 through Electronics Means (E-EGM) by IR PLUS AGM application in accordance with the Emergency Decree on Electronic Meetings 2020 and the Notification of Ministry of Digital Economy and Society, Re: Standards for maintaining security of Meeting via Electronics means B.E.2020 (as amended). Due to the situation of the COVID-19 pandemic, which was continuously intensifying, the Company limited the number of director, executive committee, consultant and the meeting staffs at the live broadcasting in order to comply with the measures from the government. The Meeting considered the following agendas:

1. To consider and appoint Dr. Kittipong Kittayarak as an additional Independent Director.
2. To consider and approve the acquisition of assets in relation to the acceptance of the entire business transfer of C.P. Retail Holding Company Limited by Siam Makro Public Company Limited which is a subsidiary of the Company.
3. To consider and approve the disposal of assets in relation to the entire business transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited which is a subsidiary of the Company.
4. To consider and approve the offering of shares in Siam Makro Public Company Limited held by the Company to the public (Public Offering).

The 17,689 shareholder's Meeting Notice and enclosure in Thai and English version for the Annual General Meeting of Shareholders for the Year 2021 were submitted to the shareholders more than 21 days prior to the meeting date, and were posted on the Company's website at www.cpall.co.th on 16 March, 2021 which was more than 30 days prior to the meeting date, to ensure that the shareholders had adequate time to review information before attending the meeting.

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 2021 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 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, expertise, training history at the Thai Institute of Directors Association (IOD), family relationship, director position held in other companies separated into listed companies and non-listed 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 to consider the competency and appropriateness of the auditor.
6. Agenda item on the approval of dividend payment stated the dividend policy, proposed dividend payment amount, and dividend payment statistics.
7. Explanation on proxies, registration, and required documents to be presented on the meeting day.
8. Information of 3 directors to be appointed by the shareholder to attend and vote on his/her/its behalf which one of them is an independent director.
9. The Company's Articles of Association regarding the shareholders' meeting
10. Annual Report 2021 (56-1 One report) and Sustainability Report 2021 in a form of QR Code containing QR Code downloading guidelines, 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 date.
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 date.

The invitation letter of the Extraordinary Meeting of Shareholders No.1/2021 had more details than the Annual General Meeting of Shareholders for the year 2021's as follows:

1. Qualifications of the Company's Independent Director.
2. Details of the directors proposed by the Company to act as proxies of the shareholders.
3. Information Memorandum on the Acquisition of Assets and Connected Transaction which was reviewed by the SEC before sending to the shareholders (QR Code format).
4. Opinions of the Independent Financial Advisor concerning the acquisition and disposition of assets and the connected transaction (QR Code format).
5. QR Code downloading guidelines for Information Memorandum and the Opinions of the Independent Financial Advisor Report.
6. A manual to attend the Extraordinary General Meeting of Shareholders No.1/2021 and voting through electronic means (E-EGM) by IR PLUS AGM Application, which explains registration method and identity verification in case the shareholders are able to attend the meeting by themselves or appoint a proxy, the registration and identification enclosed document, meeting attendance and Voting through Electronic Means (E-EGM) by IR PLUS AGM, the opinion and questioning during the meeting.

On the Shareholders' Meeting Date

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). Seating was arranged to be 2 meters apart, and the number of available seats was limited to 50. Extra seats were provided in another room for watching live broadcasting to avoid overcrowding. And, the meeting was finished 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 at all times. No microphone was provided. Attendees who had questions would write in the paper and pass to the company staffs. The Company did not consider any other matters other than the meeting agenda voting during the meeting. Instead, other opinions, suggestions, or questions relating to the agendas proposed will be published on the Company's website. 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 staffs 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 had asked for shareholders' cooperation to turn off their mobile phones to prevent disturbing 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 was 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 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 an agenda item which the directors had a conflict of interest or it concerned connected transactions, the screen also showed the number of votes which were not entitled to vote. In case some agenda items need more time for vote counting, the Chairman of the Meeting would ask the meeting to proceed to the next agenda to ensure continuity of the meeting. When the vote counting was finished, the scores and resolution would be immediately announced at the meeting. In addition, for transparency in vote counting, the Company invited the representative who was 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 at the meeting. The Company's external auditor also attended 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.

When the meeting started, the shareholders who arrived late could still attend and vote for the remaining matters and unapproved agenda.

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

- For the agenda item of dividend payment, the Company clearly stated its dividend policy and provided details of the proposed dividend amount, record date, dividend payment date, tax credit for dividend payment from the Revenue Department, and history of dividend payment in 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.
- For 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.

- For 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.
- For the agenda item of appointing the Company's Auditors and reviewing their remuneration, the Company disclosed details of auditors which were profile, amount of shareholding, relationship with the executive, the opinion of the Audit Committee in regard to the independence of the Auditors and remuneration. However, the appointment was complied with the regulations of the SEC regarding the auditor rotation.
- Other agendas which was required by laws and regulations or which might impact the Company's operation.

The Extraordinary General Meeting of Shareholders was to consider and approve the Acquisition of Assets in relation to the Acceptance of the Entire Business Transfer of C.P. Retail Holding Company Limited by Siam Makro Public Company Limited which is the subsidiary of the Company. It was considered as an Acquisition or Disposal of Assets and a connected transaction of a listed company under the Notifications of Capital Market Supervisory Board. The Company, therefore, proceeded as follows:

1. Prepared a report and disclosed an information memorandum of the transaction to the SET immediately upon the Board of Directors' approval to enter into the transaction. Such information memorandum was reviewed by the SEC and SET regarding an adequacy of information before submission to the shareholders.
2. Appointed Independent Financial Advisor (IFA) who had been approved by the SEC to perform the relevant functions, including rendering its opinions as required by the Notifications on Connected Transactions and to deliver the independent financial advisor's opinion report to the shareholders for consideration, together with the notice of the meeting of shareholders.

   The Independent Financial Advisor's opinions included:

   2.1 Advantages, disadvantages, and risk of entering into the transaction;

   2.2 The rationality and benefits of entering into the transaction;

   2.3 The appropriate method to evaluate the transaction; and

   2.4 Whether the transaction was appropriate or not.
3. The Company's Extraordinary General Meeting of Shareholders was held to approve the transaction. The shareholder's Meeting Notice was submitted to the shareholders not less than 14 days prior to the meeting date. The transaction shall be approved by the affirmative resolution of votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding votes of the shareholders having a conflict of interest. The invitation letter also stated shareholders' names and amount of shares of those who were not entitled to vote.
4. The aforementioned Information Memorandum of the Company's transaction contained the views of the board of directors and views of the audit committee and/or of the directors whose views differ from the board of directors'.

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 Articles of Association. Only the agenda items that were indicated in the meeting invitation were considered.

After the Shareholders' Meeting

The Company announced the resolution of the shareholders' meeting and the voting results on the Stock Exchange of Thailand's system and the Company's website within the same day as the Shareholders' Meeting. The Company prepared the meeting's minutes in both Thai and English versions and submitted 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 during the meeting in the minutes. The Shareholders could submit queries or opinions regarding the minutes of meeting to the Company's secretary within one month from the meeting date. The agenda for adoption of the minutes 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 next year.

From the assessment of the quality of the Company's 2021 Annual General Meeting of Shareholders (AGM checklist) conducted by the Thai Investors Association, the Company got a full score (100 out of 100), which was higher than last year's score at 98.

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 2021, the Company performed the following:

1. Annual General 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 2021. 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, 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 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. Extraordinary General Meeting

Additional procedures (other than the Annual General Meeting's) were as follows:

- In light of preparation of the meeting, the shareholders and proxy holders were allowed to verify their identities via the IR Plus AGM Application 13 days prior to the meeting date.
- Shareholders and the proxy holders were able to log in to the IR Plus AGM system for registration 1 hour before the meeting's starting time.
- To maintain the rights and benefits of the shareholders who could not attend the meeting, the Company appointed 3 Independent Directors for those shareholders to select as their proxies and/or delegate their votes.
- When the meeting commenced, the shareholders or the proxy holders were able to vote in advance by IR Plus AGM Application or vote during consideration of the agenda. The votes of each agenda item were counted when such agenda was closed. The Chairman of the Meeting allowed sufficient time for voting before closing the voting of each agenda item.

3. Directors and Executives

The Company has strict written procedures to prevent insider trading 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 annually 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 Corporate Governance and Sustainable Development Committee and 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 2021 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 acknowledges the importance of 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 acknowledges the importance of 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, Social Media, 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 about 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; and
   - 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 in the organization so that they can adapt to the rapidly changing business world, especially in the digital age. The importance is also given to development of the leadership skill 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 skill 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; and
5. Enrich Community Awareness.

These 5 behaviors are communicated to create understanding, and relating 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 to become an organization that will develop further in a sustainable manner. The Company started the associated Project and also issued various related initiatives together with many measures aimed at driving this Project - such as: the Corporate Governance Program, Anti-corruption Program, and the Human Rights Due Diligence Program; as well as established mechanisms and channels of communications to receive suggestions and complaints from customers and employees such as at the stores, by mail, via the Company's website, as well as via the Call Center; and the Whistle-blowing Program that focuses specifically on receiving complaints and inputs received from Employees.

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 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 prolong 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 Report 2021"

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.

The Company is committed to conducting business on the basis of social responsibility in line with the Company's mission to "Create and Share Opportunities for All", creating shared value for the nation, people and organization. Thus, the Company has established the Corporate Social Responsibility Policy and Guidelines for Creating Social Value, focusing on job creation and income generation of Small and Medium Enterprises (SMEs), farmers, and vulnerable groups. Short-term and long-term goals, key performance indicators, and supporting programs through 3-Giving-Strategies, which are Giving Opportunities, Giving Knowledge, and Giving Quality of Life, has been set. The Company is also committed to increasing the level of awareness in order to create acceptance from the community and society. In addition, the Company has development an integrated system to manage small business operators throughout the business partner cycle. Furthermore, the Company has implemented and supported the creation of shared value between the organization and communities such as recruitment, procurement, support of community products, and providing relief to communities in times of difficulty in order to build good relationships with communities that the Company conducts business in.

In addition, with commitment to reduce the amount of greenhouse gas emissions and commitment to promote 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 with communities and society such as reducing energy use in cooling systems and coolants; promoting proportion of renewable energy usage to reduce greenhouse gas emissions; being thoughtful on packaging selection and management in order to appropriately manage plastic waste and create value added by developing a policy for sustainable packaging and creating engagement from stakeholders; designing Private Brand environmentally-friendly packaging; initiating a program to reduce single-use plastic; initiating a program to recycle or reuse packaging for alternative use; and managing of appropriate product packaging in 7-Eleven stores in order to protect the environment and to promote sustainable development according to the Circular Economy concept by taking into account the product life cycle. This strategy also aims to create environmental awareness and behavioral change in a better way.

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 be ensure that every business partner of the Company will receive both equal and equitable treatment. Further, business partners are advised and overseen that they all respect human rights, treat their respective workforce in an equitable manner, and be responsible towards society and the environment, 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 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 principal 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 Sustainability Report 2021"

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 through the Company's Form 56-1 One Report, the Company's Sustainability Report, 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 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 2021, 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 are prepared in accordance with accounting standards, audited without any conditions by the appointed independent external Auditor, 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 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; and
   - 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 memorandum on the entering into acquisition and disposal of asset transaction.
5. Information memorandum of the related party transaction.
6. Report on the shares owned by members of the Board of Directors and the Executives/Management group together with those of any connected parties.
7. Board of Directors' Statement of Responsibility for Financial Reports, together with the Report of the Auditors.
8. Report on the audit fee, with separate details for the audit services and other services provided.

9. 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.
10. The number of Board Meetings held and attendance record with the number of times each Board Director attended the meetings in 2021.

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 director to attend Directors training programs that will further develop their knowledge arranged by the Thai Institute of Directors Association (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 will not be the management and will not be the same person as the Chairman of the Executive Committee, as well as will 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 personnel, they have been assigned with the responsibility to operate 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 requires 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 to promote and support the executive and employee to participate in spreading Company corporate governance creed 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 skill development; stakeholders engagement; anti-corruption; social impact; health and well-being; education; innovation management; occupational safety, health and environment; climate change management; water management; ecosystem and biodiversity protection; 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.

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

6.3 Major Change and Development of Corporate Governance Policy, Guideline and Charter Last Year

6.3.1 Major Change and Development relating to Policies, Guidelines, Corporate Governance and Charters Last Year are as follows:

1. Amended the Charter of the Remuneration and Nomination Committee to be in line with the Guideline on Board's role in Strategy for Business Sustainability (ESG part) issued by the Thai Institute of Directors Association (IOD)
2. Amended the Anti-Corruption Policy and guideline to be clearer and more practical.
3. 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, Sustainable organization training, activity for promoting stories of employees who performed good deeds and naming them in the Company's Hall of Fame, the preparation for compliance with the Personal Data Protection Act (PDPA), Data Governance and Cyber Security, video clip contest of role models for good governance, activity answering questions relating to good governance and the Company's governance creed, collaboration with the Association of Correspondents for Anti-corruption (Thailand) to organize online Anti-Corruption Award 2020, joined the National Anti-corruption Day online, 7 Go Green strategy, established climate change management approach to reduce greenhouse gas emissions (Low Carbon Cities).
4. Established a Corporate Governance and Anti-Corruption Plan for the year 2021, with the goal of improving the Company's Corporate Governance system.
5. Improve working culture to ensure compliance with applicable laws, rules, and trade regulations by providing training on relevant laws, create a procedure for adhering to the law, governance, and reporting.
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. The Sustainability and Corporate Governance Committee must receive governance reports from the Company's subsidiaries, which are All Now Logistics Co., Ltd., All Now Management Co., Ltd., Counter Service Co., Ltd., Gosoft Co., Ltd., Panyapiwat Institute of Management Demonstration School, and Panyapiwat Institute of Management Co., Ltd., while CPRAM Co., Ltd. is responsible for the sustainability part.

6.3.2 Compliance with the CG Code for Listed Companies 2017 Issued by the SEC.

The Company has annually reviewed the CG Code for listed companies issued by the SEC in order to adopt the relevant parts under the Code for the Company to follow as appropriate. Throughout 2021, the Company has fully complied with the CG Code, except for the following aspects:

1. The Company has designated 16 directors, which exceeds the number as normally required at 12, due to its size, type and complication of business. So that they can efficiently oversee all operations of the Company's subsidiaries which are varied in business types.
2. The Chairman of the Board is not an Independent Director. Due to the complexities of the Company's businesses, the Chairman of the Board needs to be a sophisticated leader who has extensive knowledge in both general 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 to

achieve a check and balance system based on the principles of good corporate governance and 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 the Company's 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 business operations, which requires a long time 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 their qualifications, extensive experience and reputation of these Independent Directors have remained fully independent at all times while performing their duties. Nevertheless, effective from the AGM in 2018, the Company determined that any Independent Directors of the Company shall have a maximum term of his/her office of 9 years in total, unless the Shareholders Meeting considers and approves otherwise.
4. The Company has not yet appointed an external consultant to help define and propose the required procedures and process for the performance evaluation of the Board of Directors, which should be undertaken at least every 3 years, or disclosed such procedures in the Company's annual report. However, Board of Director and the Sub-Committee have undertaken an annual evaluation of their performance every year. Such evaluation report shall carry out each individual assessment of performance and express comments in a fully independent manner. As such, the evaluation will be further used to develop the effective discharge of the duties of the Board of Directors. The criteria and the process used for this evaluation shall be disclosed in the Company's annual report.

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 the 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 were awarded as follows:

1. For the third year in a row, the Thai Institute of Directors (IOD) awarded the Company 5 stars or Excellent CG Scoring in the Corporate Governance Report (CGR) of Thai Listed Companies 2021, and the Company is also in the Top Quartile group of companies with a market capitalization of more than 10,000 million baht.
2. The Company got a perfect score (100 out of 100) for the AGM Checklist 2021 from the Thai Investors Association.
3. The Company has been selected as a member of the Thailand Sustainability Index (THSI) 2021 in the Services industry by the Stock Exchange of Thailand for the fourth consecutive year and received SET Awards in the sustainability excellence awards in type of Highly Commended in Sustainability Awards of more than 10,000-million-baht Market Capitalization Company.
4. The Company has been selected to be a member of the FTSE4Good Index 2021 (designed to measure the performance of companies demonstrating strong Environmental, Social and Governance practices) in the Food Retailers & Wholesalers sector by FTSE Russell in 2 series, the FTSE4Good Emerging Index and

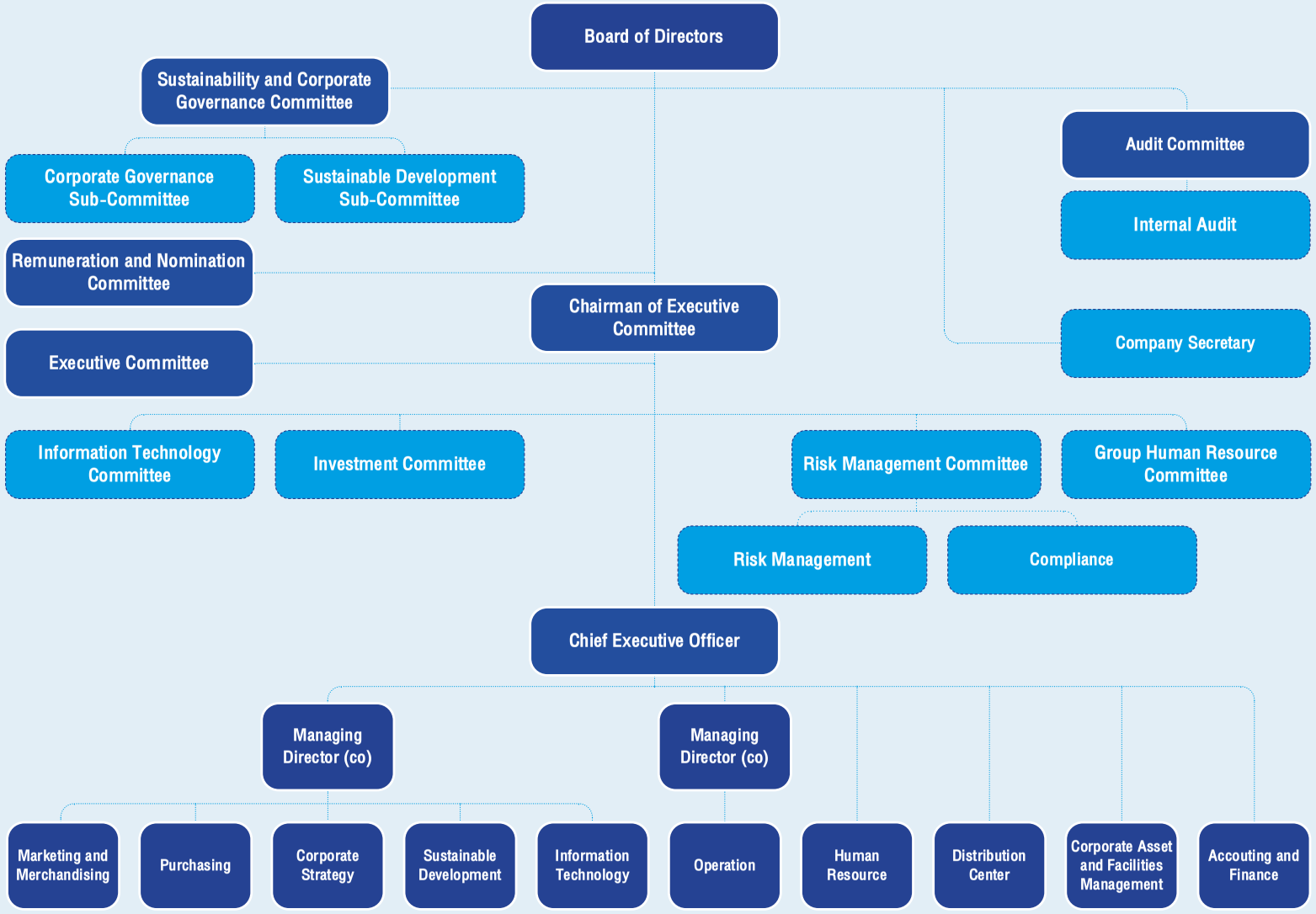
FTSE4Good ASEAN 5 Index for the 4th consecutive year, and the Company was also in the top 5 of the highest marks among other companies.

5. The Company has received Sustainability Awards (silver class) in the Food & Staples Retailing Industry in the Sustainability Yearbook 2021 arranged by S&P Global world-class Financial Institutions and credit rating.
6. The Company has been selected to be a member of the Dow Jones Sustainability World Index (DJSI World) for the fourth consecutive year and ranked first in the Food & Staples Retailing sector. In addition, the Company has retained its membership of the DJSI Emerging Markets Index for the fifth consecutive year.
7. The Company has been selected by the Thaipat Institute, which examines listed firms with outstanding performance in terms of Environmental, Social, and Governance (ESG) criterias, as one of the 2021 ESG's 100 companies for the service sector for the fourth consecutive year.
8. The Company received the CAC Change Awards 2021, which was given by the Thai Institute of Directors (IOD) and the Collective Action Against Corruption (CAC), as a result of its accomplishment in encouraging more than its 10 SME partners to join the anti-corruption policy with the CAC within a year.
9. The Company won Thailand Best Employer Brand Awards 2021-2022, sponsored by the World HRD Congress, a non-profit organization, and the Stars of the Industry Group (Virtual Event).
10. The Company won three Institutional Investor awards (II Awards) in 2021 which were Honored Companies Award, Best CFO Award, and Best IR Program Award from the Institutional Investor – LLC, a leading international business to business publisher.
11. The Company received an 'Excellence' award for the Low Carbon and Sustainable Business Index project 2021 from the Thailand Greenhouse Gas Management Organization (Public Organization).
12. CPRAM Co., Ltd., one of the Company's subsidiaries, received an 'Excellence' award for the 2021 Role Model Organization Award for Human Rights from the Rights and Liberties Protection Department, the Ministry of Justice. The prize was given to an organization for its human rights best practices, which include preventing human rights violations and promoting human rights knowledge among employees.
13. Gosoft (Thailand) Co., Ltd., one of the Company's subsidiaries, won Thailand HR Innovation Award 2021 in the Silver Award category for the second year in a row organized by the Personnel Management Association of Thailand, Thailand Productivity Institute, and NIDA Business School. Moreover, Gosoft was also awarded by the Beyond Talent Development Program in 2020.

Corporate Governance Structure and Important Information of the Board of Directors, Sub–Committees, Executives, Staffs, and Other

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

7.1 Corporate Governance Structure as at 31 December 2021



Executives who shall declare remuneration

7.2 Information of the Board of Directors

As of December 31, 2021, the Company's Board of Directors consists of 16 members including:

1. Executive Directors 5 persons; and
2. Non-Executive Directors 11 persons, which are as follows:
   - Independent Directors 6 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 who hold a position in the management and are involved in the day-to-day operations of the organization.

Non-Executive Directors :

The directors who do not hold a position in the management, may or may not be an independent 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 on 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.	Adj. Pro. Dr. Kittipong Kittiyarak	Independent Director
7.	Mr. Soopakij Chearavanont	Chairman
8.	Mr. Korsak Chairasmisak[1]	Vice Chairman and Chairman of Executive Committee
9.	Mr. Suphachai Chearavanont[2]	Vice Chairman and Remuneration and Nomination Committee
10.	Mr. Adirek Sripratak[2]	Director
11.	Mr. Umroong Sanphasitvong[2]	Director, Member of Executive Committee, Sustainability and Corporate Governance Committee
12.	Mr. Narong Chearavanont[2]	Director

13.	Mr. Prasert Jarupanich[1]	Director
14.	Mr. Pittaya Jearavisitkul[2]	Director and Vice Chairman of Executive Committee
15.	Mr. Piyawat Titasattavorakul[2]	Director and Vice Chairman of Executive Committee
16.	Mr. Tanin Buranamanit[1]	Director, Member of Executive Committee, and Chief Executive Officer

Remarks : 1. Directors No. 8 – 16 are Authorized Directors.
2. Adj. Pro. Dr. Kittipong Kittiyarak has been appointed as an Independent director by the resolution of the Extraordinary General Meeting of Shareholders dated 12 October 2021.
3. Mr. Tanin Buranamanit has been appointed as a Vice Chairman by the resolution of the Board of Directors' Meeting dated 23 December 2021, effective from 1 January 2022.

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-Executive 2 members, excluding the Chairman and Independent Directors for the existence of independence in compliance with good corporate governance principles. Both directors must sign and affix the Company's seal.

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 have one vote per one share.
2. Each shareholder must exercise all the votes he/she has according to (1) for appointing 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 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 a thorough investigations to be made of all information received according to the established procedures and for a full report is to be submitted to the Board of Directors.
17. Oversee Subsidiary Companies, through considering that appropriateness of those persons to be appointed as Directors of the Subsidiary Companies to oversee that their management is in accordance with established operating policies and that various business transactions are in compliance with the legal and regulatory requirements specified by the laws on securities and by the various announcements of the SET.

Role of the Chairman of the Board

The Chairman of the Board has the following duties and responsibilities

1. Supervise, monitor and ensure that the Board of Directors and the Sub-Committees act in accordance with the assigned duties and responsibilities of the Board of Directors 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 and also acts as the Chairman at Board Meetings, Shareholders Meetings and meetings of Non-Executive Directors.
3. Collaborate with the Chairman of the Executive Committee and the Company Secretary, to 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 of Director

- **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 (20 April 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 the 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 are 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 tractions that may involve a conflict of interests, so that they comply with the applicable laws and regulatory requirements of the SET. As such, this is to ensure that such transactions are appropriate and for the maximum benefits of the Company.
6. Prepare the Report of the Audit Committee, through disclosing this in the Company's Annual Report; whereby the Report is to be signed by the Chairman of the Audit Committee and must consist of all the following information and details as required and specified by the SEC and SET
   (a) Opinion on the correctness, accuracy, and comprehensiveness, together with the credibility of the Company's financial reports
   (b) Opinion on the adequacy of the Company's internal audit system

(c) Opinion on compliance to all the laws on securities and securities exchange
(d) The regulations of the SET, and all laws applicable to the Company's businesses
(e) Opinion on the appropriateness and suitability of the external Auditor
(f) Opinion on those transactions that may involve a conflict of interests
(g) Number of Audit Committee meetings held during the year, and the attendance record of each Member of the Audit Committee
(h) Overall opinion or comments that the Audit Committee has received in discharging its responsibilities in accordance with the Charter for the Audit Committee
(i) Any other matters that the Audit Committee thinks that Shareholders should be informed about and that is within the scope of duties and responsibilities as assigned by the Company's Board of Directors

7. Review compliance with the established anti-corruption policy 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 appointed by the Board of Directors' Meeting and is comprised of at least 3 directors, with at 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.	Adj Pro Prasobsook Boondech*	Chairman, Sustainability and Corporate Governance Committee
2.	Pol. Gen. 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

Qualification of an Independent Director

1. Having appropriate knowledge, capability and experience.
2. Dedicate to work sufficiently and efficiently.

The Sustainability and Corporate Governance Committee appoints the Sustainability and Corporate Governance Sub-Committee that consists of executives from relevant departments, which is 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, Anti-Corruption Policy, Sustainability Policy, conflicts of interests issues, Policy on Protecting Personal Information and Data, Business Ethics, Data Governance, Cyber Security 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; or
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 the seat of the Sustainability and Corporate Governance Committee 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 required qualifications to fill the vacancy within 3 months from such vacancy date. The new member of the Sustainability and Corporate Governance Committee can stay in office only for the remaining term of the former member.

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 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.	Pol. Gen. 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 the required qualifications in being a Member of the Remuneration and Nomination Committee as specified in the Charter for the Remuneration and Nomination Committee; or
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. Review whether the current directors have possessed appropriate skills, knowledge and expertise in accordance with the Director Skill Matrix in order to arrange a suitable program for further development.
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

Remarks
1. Mr.Tanin Buranamanit was appointed to be a Vice Chairman of Executive Committee by the resolution of the Board of Directors' Meeting dated 23 December 2021, effective from 1 January 2022.
2. Mr. Yuthasak Poomsurakul was appointed to be a member of Executive Committee by the resolution of the Board of Directors' Meeting dated 23 December 2021, effective from 1 January 2022.

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 2021, the Company had a total of 18 high-level executives consisting of

- Executive Committee 9 persons; and
- Executive Officers 13 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 2021, the Company's Executive Officers consist of

1.	Mr. Tanin Buranamanit	Chief Executive Officer
2.	Mr. Yuthasak Poomsurakul	Managing Director (Co) and in charge of Merchandising & Marketing, Purchasing, Company Strategy, Information Technology and Sustainable Development
3.	Mr. Vichai Janjariyakun	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 and Chief Financial Officer
9.	Mrs. Nipaporn Ackarapolpanich	Senior Vice President - Marketing
10.	Mr. Thupthep Jiraadisawong	Senior Vice President - Operation
11.	Mr. Wiwat Pongritsakda	Vice President – Information Technology
12.	Mrs. Phaphatsorn Thanasorn	Vice President – Purchasing
13.	Mr. Ronnakitt Pojamarnpornchai	Vice President and Deputy Chief Financial Officer

Remarks: 1. Mrs. Nipaporn Ackarapolpanich was appointed as an Executive Officer on 3 February 2021.
2. Mr. Thupthep Jiraadisawong was appointed as an Executive Officer on 1 April 2021.

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.

Remarks Mr. Yuthasak Poomsurakul was appointed to act as the Chief Executive Officer by the resolution of the Board of Directors' Meeting dated 23 December 2021, effective from 1 January 2022.

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, which are, Return of Equity (ROE), customer satisfaction, 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)
2019	Salary bonus and special pension	17	561.393
2020	Salary bonus and special pension	16	403.098
2021	Salary bonus and special pension	18	437.945

2021 Total company accumulated cash remuneration 25,564

Payment for Executive Committee and Executive Officers 1.71%

(2) Other Remuneration

1. Provident Fund

The Company has established a provident fund, with the Company contributing 2 percent of monthly salary. In 2021, the Company contributed a total of Baht 8.521 million to the provident fund for high-level executives, and paid Baht 6.642 million and Baht 6.035 million in 2020 and 2019 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 June 30, 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	2021	2020	2019
Store employees (Persons)*	49,557	50,313	48,960
Head office staff (Persons)*	13,857	13,583	13,596
Total (Persons)	63,414	63,896	62,556
Remuneration for Employees (million Baht) (Comprises of salary, bonus, EJIP, provident fund and other fringe benefits)	25,564	24,114	25,997

* Only the Company's permanent staff

In 2021, the Company's Subsidiaries (excluding Subsidiaries under Makro Group and subsidiaries of Siam Makro Public Company Limited) paid Remuneration to Employees in the same way, totaling Baht 5,918 million.

Employees joining Provident Fund - PVD

Company (in Thailand Only)	PVD Yes/No	Employees Joining PVD (Persons)	Percentage of Total Employees
1. CP ALL Plc.	Yes	27,196	43%
2. CPRAM Co., Ltd.	Yes	1,589	57%
3. CP Retailink Co., Ltd.	Yes	647	40%
4. Panyapiwat Institute of Management	Yes	602	60%
5. Gosoft (Thailand) Co., Ltd.	Yes	479	62%
6. 24 Shopping Co., Ltd.	Yes	350	43%
7. Panyapiwat Technological College	Yes	168	52%
8. Counter Service Co., Ltd.	Yes	140	69%
9. ALL NOW Logistics Co., Ltd.	Yes	120	52%

Company (in Thailand Only)	PVD Yes/No	Employees Joining PVD (Persons)	Percentage of Total Employees
10. Panyatara Co., Ltd.	Yes	83	81%
11. All Training Co., Ltd.	Yes	53	77%
12. MAM Heart Co., Ltd.	Yes	37	86%
13. ALL NOW Management Co., Ltd.	Yes	16	20%
14. ALL Guardian Co., Ltd.	Yes	13	50%
15. Panyapiwat Institute of Management Demonstration School	Yes	9	39%
16. ALL Wellness Co., Ltd.	Yes	7	28%
17. CP Foodlab Co., Ltd.	Yes	5	63%

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

Ms. Walainoot Kattirat, Assistant Department Manager - Legal Compliance, is the head of the Company's compliance unit acting 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 Thongtan, Senior General Manager – Investor Relations, acts as Head of the Investor Relations Department of the Company, acting 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, showing 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 2021, the Company held activities for 1,606 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 12 times (Virtual Conference).
- Company visit for 55 times and conference call for 300 times (Virtual Conference).
- Marketing activities by inviting analysts and investors to visit the operating area of the company. In 2021, no such activity was held due to the COVID-19 pandemic which the Company had to limit the number of visitors entering the building.
- Held Press conference to public the Company's performance and newsletter for a total of 4 times.

Investors are able to contact the Company to request information about the Company via the telephone or email, and by attending any investors' meetings or presentations. Additionally, investors can access and view relevant information through accessing the Company's website : http://www.cpall.co.th/Investor-Relations

Or contact to request for information from the Company's 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, Sathorn Soi 5, South Sathorn Road, Thung Mahamaek, Sathorn, Bangkok 10120

7.6.3 Audit Fee

1. Audit Fee

In 2021, 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 (excluding 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.

Audit fees of the other 5 overseas Subsidiary Companies which are Successor Investments Limited, Successor (China) Investments Limited, CPALL LAOS Co., Ltd., CPALL (Cambodia) Co., Ltd. And All Convenience Logistic Co., Ltd. were paid to KPMG overseas. Despite the fact that there are various auditors (not only KPMG Phoomchai Audit Co., Ltd.), the Executive Committee will ensure that the consolidated financial statements will be issued in time.

2. Other Non-audit Services

In 2021, the Company and Subsidiary Companies did not receive any other non-audit services from KPMG Phoomchai Audit Co., Ltd.

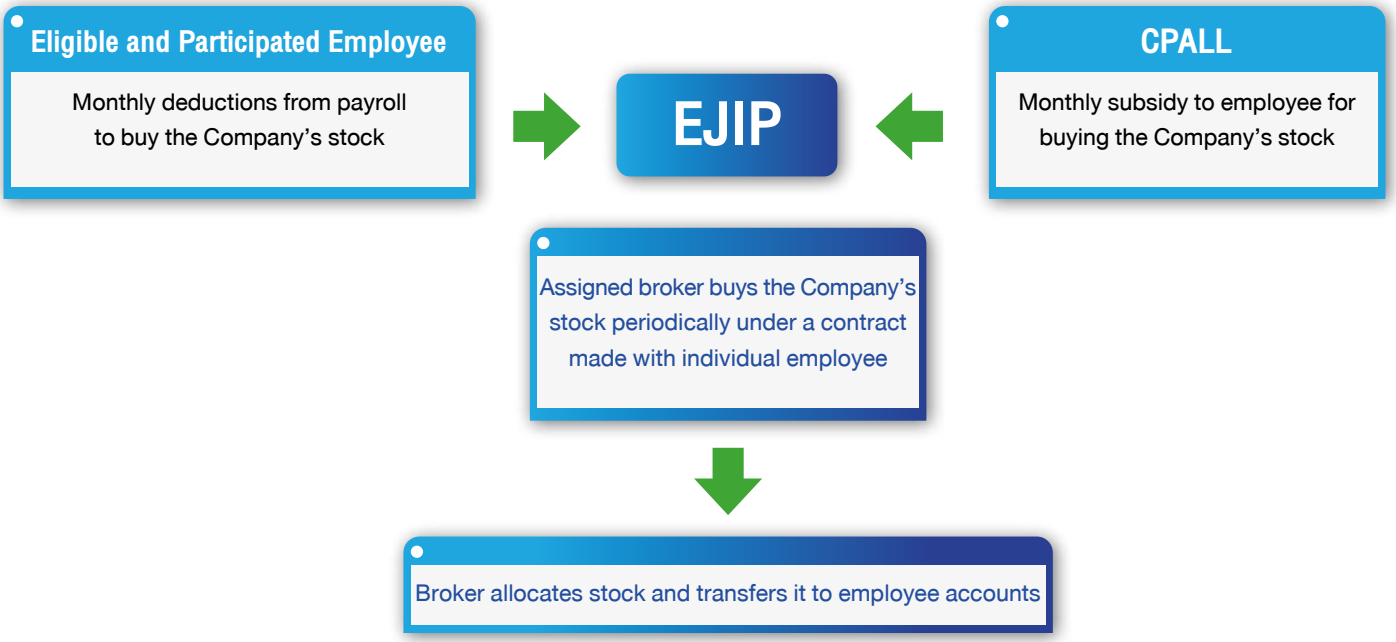
7.6.4 Employee Joint Investment Program – EJIP

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 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.

Due to the COVID-19 pandemic, the Executive Committee Meeting No.4/2020 dated 29 April 2020 decided to temporarily suspend the Employee Joint Investment Program (EJIP) starting from the end of May 2020 until ease of the COVID-19 situation, in order to relieve burden of employees who have voluntarily joined the program.

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. In 2021, 99.28% of the Company directors attended the Board of Directors' Meeting.
3. In 2021, a total of 9 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. 99% of the Directors attended the meetings. The Company also held the Non-Executive Directors Meeting in 2021 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 has yet implemented a written 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, has continued to 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. In 2021, 9 Board of Directors' meeting were held. There were 8 meetings which all of the directors were present, and there was only one meeting which one director was absent, resulting in 93.75% of attendance rate.
6. In every meeting, the management were asked 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 topic 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 6 Independent Directors, or equal to 1/3 of the total number of Board Directors, namely Mr. Pridi Boonyoung, Mr. Padoong Techasarintr, Pol. Gen. Phatcharavat Wongsuwan, Adj. Prof. Prasobsook Boondech, Mrs. Nampung Wongsmith, and Adj. Prof. Dr. Kittipong Kittiyarak.

- **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. Talent Management & Development Program

The Talent Management & Development Program's objective are to ensure that the Company will have competent employees (the Right Supply of Talented Workforce) to support competition and sustainable business growth and to ensure that the Company will be able to retain talented workforce who are willing to commit to the organization and continue to work for the Company in the long run as well as being a good leader who can grow to be the successors of executives in the future (Pipeline for Succession Plan Program). The program is open not only for the Company's employees but also any talented person outside the organization. Internally, candidates will be chosen from the officer level to supervisor level and above. Employees who are chosen will be evaluated according to the CPALL Leadership DNA using psychological tools and the 360 degree feedback. The evaluation result will be used to design the Individual Development Plan (IDP) besides development through various training programs set by the Company. The Company will monitor and report the progress of 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 Program

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 to retain capable and high caliber employees in the organization, the Company has continuously implemented the Succession Planning Program. 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 2021, the Company selected successors from the Talent Pool and evaluated Successors' Readiness using various tools including psychological tools, 360 degree feedback, and assessment of readiness to move to a higher position in order to design the Individual Development Plan (IDP). The development focused on improvement of skills and experience in order to hold a higher position through Special Job Assignment, coaching from superiors and external experts (One on One Coaching), and Job Rotation, apart from development through training in various courses. The Company monitored and reported the progress 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 consider that person's readiness for advancement primarily based on achieved past performance, CPALL Leadership DNA, and career interest and aspiration.
4. During the past year, the Company still recognized 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 gave importance to leadership development in 3 forms including 1) Learning by Course, 2) Learning by Others such as superiors, senior executives and external experts, and especially 3) Learning by Experience. The Company also focused on developing leaders to be capable in work, capable with people, and a good person. Leaders must be a good role model in line with the organization's culture and values. Thus, leaders in every level must help build the next generation of leaders through the coaching process. To foster a coaching culture, the Company developed the Leaders as Coach program to create empathetic leaders who understand their team and have coaching skills to build their team to be happy, deliver good performance, and have smiles for customers following the Company's philosophy, "Through happy employees, we desire to see smiles from customers".

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	IT Governance and Cyber Resilience Program (ITG)	Director Refreshment Training Program: Lessons Learnt form Financial Cases
1. Adjunct Professor Prasobsook Boondech	2017/ 2020						2016								
2. Police General Phatcharavat Wongsuwan	2017														
3. Mr. Padoong Techasarintr	2005	2008		2008	2001	2003								2021	
4. Mr. Pridi Boonyoung	2005	2010													
5. Mrs. Nampung Wongsmith			2016		2018	2007								2021	
6. Professor Dr. Kittipong Kittayarak	2014		2015												
7. Mr. Soopakij Chearavanont	2011														
8. Mr. Korsak Chairasmisak					2006	2000									
9. Mr. Suphachai Chearavanont	2011														
10. Mr. Adirek Sripratak	2005					2001									
11. Mr. Umroong Sanphasitvong						2001	2016	2003	2006	2006	2007	2016			
12. Mr. Narong Chearavanont	2007														2021
13. Mr. Prasert Jarupanich						2004					2008		2004		
14. Mr. Pittaya Jearavisitkul						2000									
15. Mr. Piyawat Titasattavorakul						2001									
16. 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, 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 95%; whereby there was only a good degree of agreement and only a good level of activity undertaken with an achieved overall score of 5%.

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 93%; whereby there was only a good degree of agreement or only a good level of activity undertaken with an achieved overall average score of 7%.

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 2021

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

Remark : 1. Shareholder's Meetings were held during the pandemic of the Coronavirus Disease 2019 (COVID-19) which limited the number of meeting participants.

2. *Executive Director

3. **Adj. Pro. Dr. Kittipong Kittayarak has been appointed as a Director since October 12, 2021.

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 2021 Annual General Meeting of Shareholders dated 23 April 2021 approved the remuneration for directors the same rate as approved in the Annual General Meeting of Shareholders on 16 July 2020, which is also the same rate as approved in the Annual General Meeting of Shareholders on 21 April 2016, as follows:

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

The Independent Director who is the member 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 to 31 December 2021 (Unit: Million 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	3,730,000	5,170,000
2. Pol. Gen. Phatcharavat Wongsuwan	Chairman of Remuneration and Nomination Committee, Sustainability and Corporate Governance Committee, and Independent Director	1,440,000	3,730,000	5,170,000
3. Mr. Padoong Techasarintr	Chairman of Audit Committee, Sustainability and Corporate Governance Committee, Remuneration and Nomination Committee, and Independent Director	1,440,000	3,730,000	5,170,000

Name and Surname	Positions	Remuneration	Bonus	Total
4. Mr. Pridi Boonyoung	Audit Committee and Independent Director	1,200,000	3,110,000	4,310,000
5. Mrs. Nampung Wongsmith	Audit committee and Independent director	1,200,000	3,110,000	4,310,000
6. Adj. Pro. Dr. Kittipong Kittayarak *	Independent Director	213,333	-	213,333
7. Mr. Soopakij Chearavanont	Chairman	1,440,000	3,730,000	5,170,000
8. Mr. Korsak Chairasmisak	Vice Chairman	1,200,000	3,110,000	4,310,000
9. Mr. Suphachai Chearavanont	Vice Chairman, and Remuneration and Nomination Committee	1,200,000	3,110,000	4,310,000
10. Mr. Adirek Sripratak	Director	720,000	1,866,000	2,586,000
11 Mr. Umroong Sanphasitvong	Director, and Sustainability and Corporate Governance Committee	720,000	1,866,000	2,586,000
12. Mr. Narong Chearavanont	Director	720,000	1,866,000	2,586,000
13. Mr. Prasert Jarupanich	Director	720,000	1,866,000	2,586,000
14. Mr. Pittaya Jearavisitkul	Director	720,000	1,866,000	2,586,000
15. Mr. Piyawat Titasattavorakul	Director	720,000	1,866,000	2,586,000
16. Mr. Tanin Buranamanit	Director	720,000	1,866,000	2,586,000
Total		**15,813,333**	**40,422,000**	**56,235,333**

* Adj. Pro. Dr. Kittipong Kittayarak has been appointed as a Director since October 12, 2021.

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 2021.

Remuneration for Directors of Subsidiaries' company (Siam Makro Public Co., Ltd.) from January 1 to December 31, 2021 (Unit: Million Baht)

Name and Surname	Positions	Remuneration	Bonus	Total
1. Mr. Supachai Chearavanont	Chairman	1,860,000	1,933,700	3,793,700
2. Adj. Pro. Prasobsook Boondech	Independent Director/ Member of the Nomination and Remuneration Committee	1,260,000	1,511,500	2,771,500
3. Mr. Korsak Chairasmisak	First Vice Chairman/ Member of the Nomination and Remuneration Committee	1,260,000	1,511,500	2,771,500

Name and Surname	Positions	Remuneration	Bonus	Total
4. Mr. Umroong Sanphasitvong	Director and Member of the Corporate Governance Committee	1,260,000	1,511,500	2,771,500
5. Mr. Adirek Sripratak	Director	1,200,000	1,439,500	2,639,500
6. Mr. Narong Chearavanont	Director	1,200,000	1,439,500	2,639,500
7. Mr. Prasert Jarupanich	Director	1,200,000	1,439,500	2,639,500
8. Mr. Pittaya Jearavisitkul	Director	1,200,000	1,439,500	2,639,500
9. Mr. Piyawat Titasattavorakul	Director	1,200,000	1,439,500	2,639,500

(2) Other Remuneration

The Company has USD 40 Million of the Directors' and Officer's Liabilities Insurance, which the premium is approximately THB 2.5 Million per year.

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 the 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 2021, 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 Board of Directors, which must be reviewed by the Audit Committee.

In 2021, the Company had connected transaction as follows:

1. The disposal of up to 90 per cent of the existing shares in ALL NOW Management Co., Ltd. (AM) held by the Company to connected persons which are (a) Charoen Pokphand Group Co., Ltd., or its subsidiaries, (b) Charoen Pokphand Foods Public Company Limited or its subsidiaries, (c) True Corporation Public Company Limited or its subsidiaries, and (d) Ek-Chai Distribution System Co., Ltd., and complying with the condition to such share disposal by subscribing new shares in AM in proportion to the Company's shareholding after the share disposal are considered a connected transaction under the type of transactions relating to assets or service. The total connected transaction value does not exceed THB 2,450 million, equivalent to the transaction size of not exceeding 2.85 per cent of net tangible assets (NTA) of the Company and its subsidiaries based on the Company's latest audited consolidated financial statements as of 30 June 2021. The transaction is considered a medium-sized transaction where the Company is required to obtain an approval from the Company's Board of Directors and disclose the information memorandum to the SET.

2. The investment in EGG Digital Co., Ltd. (EGG) by acquiring existing shares in proportion of up to 10 per cent from Ascend Digital Commerce Group Co., Ltd., which is considered a connected person, and complying with the condition to such acquisition of existing shares by subscribing for new shares in EGG in proportion to the Company's or its subsidiary's shareholding of the acquired existing shares, are considered a connected transaction relating to assets or services. The total value of the connected transaction is not over THB 67.5 million, equivalent to the transaction size of not exceeding 0.08 per cent of net tangible assets (NTA) of the Company and its subsidiaries based on the Company's latest audited consolidated financial statements as of 30 June 2021. The total transaction size when consolidating with the size of other connected transactions relating to assets or services occurred in the six-month period which includes the restructuring of investment in ALL NOW Management Co., Ltd., does not exceed 2.93 per cent of NTA. Thus, the transaction is considered a medium-sized transaction where the Company is required to obtain an approval from the Company's Board of Directors and disclose the information memorandum to the SET.

The value of the assets sold and purchased of these 2 abovementioned connected transactions are based on negotiation between the Seller and the Purchasers on the same basis as an arm's length negotiation by referencing the value calculated by financial advisor which is calculated by internationally accepted methods for valuation of shares which mainly are discounted cash flow approach (DCF) and market comparable approach. Both transactions were approved by the meeting of the Audit Committee and the meeting of the Board of Directors which was held on 11 August 2021, excluding directors who are interested persons, with the opinion that the transactions are reasonable and beneficial to the Company. In addition, the Audit Committee provided the opinion that the transaction is reasonable and is within the price range appraised by independent appraiser. The Audit Committee has also considered the opinion of the responsible executives and viewed that the management has proceeded this transaction through transparent and reasonable procedures and for the best interest of the Company, including complying with the Capital Market Supervisory Board's regulations. The Audit Committee does not have any different opinion from those expressed by the Board of Directors. Benefits expected to be received from the transaction can be found in the Notification of the resolutions of the meeting of the Board of Directors and the information memorandum of connected transaction which was disclosed to the SET on 11 August 2021.

3. The acquisition of assets in relation to the acceptance of the entire business transfer (EBT) of C.P. Retail Holding Company Limited (CPRH) by Siam Makro Public Company Limited (Makro), which is a subsidiary of the Company, is considered a connected transaction as CPRH is a connected person of the Company because CPRH's major shareholder, CP Merchandising Co., Ltd., is a major shareholder of the Company as well as a subsidiary of Charoen Pokphand Foods Public Company Limited and CPRH's indirect major shareholder, Charoen Pokphand Group Company Limited, is an indirect major shareholder of the Company. Under the EBT transaction, Makro will issue and allocate up to 5,010,323,500 new ordinary shares in Makro with a par value of THB 0.50 each at the offering price of THB 43.50 per share, totaling THB 217,949,072,250, to CPRH as consideration for the entire business transfer from CPRH as payment in kind, instead of in cash. The value of the transactions is calculated based on the consolidated financial statements of the Company which have been reviewed by the auditor for the six month period ended 30 June 2021 and is equal to 253.94 percent of the value of the net tangible assets of the Company. Upon combining with the acquisition of assets transactions of the Company and/or its subsidiaries during the past six months, the highest value of the transaction under the net tangible assets (NTA) basis is equal

to 254.22 percent. Thus, such transactions are considered as connected transactions under the type of transactions relating to assets or service. Therefore, the Company appointed an independent financial advisor to render opinions on the entering into such transactions to the shareholders; delivered the independent financial advisor's opinion report to the shareholders for consideration, together with the notice of the meeting of shareholders; sought approval from the Board of Directors to prepare a report and disclose an information memorandum on the entering into the transaction by the Company to the SET immediately after receiving the Board of Directors' approval of the transaction; and convened a meeting of shareholders for an approval of the entering into the transactions by the votes of not less than three-fourths of all votes of the shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders. The name and number of shares of the shareholders not having the right to vote must be specified in the notice of the meeting of shareholders.

With regard to total value of consideration and criteria for determination of total value of transaction and consideration, consideration has been given to the appropriateness of the capital structure of Makro and the value is based on the negotiations between the parties on the basis of valuation in accordance with the discounted cash flow approach which has taken into consideration the operating results and other relevant factors and the market comparable (with companies operating similar businesses) approach.

The meeting of the Audit Committee and the meeting of the Board of Directors which was held on 31 August 2021, excluding directors who are interested persons, approved the transaction. The Board of Directors is of the view that the entering into the EBT transaction is reasonable and is for the best interest of the Company and the shareholders of the Company as the entering into such transaction reinforces the business of Makro and C.P. Retail Development Company Limited (CPRD) in becoming the leaders in the retail and wholesale business of groceries and consumer products and to expand the coverage of the business operations to be at a regional level, as well as to reinforce the business as a result of the expected benefits of combining the strengths in various aspects of Makro with those of the Lotus's Group, such as the coverage of store formats. In addition, the combined benefits from the joint operations will improve the efficiency, and it is expected that this will be beneficial to the Company and the shareholders of the Company in the future through the internal restructuring and business restructuring for the purpose of achieving such objectives. The Audit Committee is of the view that the transaction is reasonable as it will reinforce the Company's group to be ready for future business expansion, and it complies with the relevant regulations of Capital Market Supervisory Board. After taking into consideration the opinion of the executives in charge of this matter, the Audit Committee is of the view that the management has proceeded with transparent process and measure and for the best interest of the Company. Benefits expected to be received from the transaction can be found in the Notification of the resolutions of the meeting of the Board of Directors and the information memorandum of the acquisition of assets in relation to the acceptance of the entire business transfer of CPRH by Makro which was disclosed to the SET on 31 August 2021. In addition, the Extraordinary General Meeting of Shareholders held on 12 October 2021 had a resolution to approve the transaction with 99.88% approved votes, which was more than three-fourths of all votes of the shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders.

Besides the abovementioned connected transactions, there were only transactions between the Company and its subsidiaries with related persons with general business negotiation that the management can enter into under the criteria 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 2021, there were no incidents relating to any breach of inside information on the part of Board Directors, Executive Directors, high-level Executives and employee of the Company.

Shareholdings of the Company by Directors

As at December 31, 2021

Name	2021		2020	Increase/ Decrease (Shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Adjunct Professor Prasobsook Boondech	-	-	-	-
Spouse and minor child	-	-	-	-
Police General Phatcharavat Wongsuwan	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Padoong Techasarintr	0.00011	9,824	9,824	0
Spouse and minor child	-	-	-	-
Mr. Pridi Boonyoung	0.00759	681,478	681,478	0
Spouse and minor child	-	-	-	-
Mrs. Nampung Wongsmith	-	-	-	-
Spouse and minor child	-	-	-	-
Prof. Dr. Kittipong Kittayarak*	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Soopakij Chearavanont	0.00248	222,396	222,396	0
Spouse and minor child	-	-	-	-
Mr. Korsak Chairasmisak	0.10094	9,067,580	9,067,580	0
Spouse and minor child	-	-	-	-
Mr. Suphachai Chearavanont	-	-	-	-
Spouse and minor child	0.00027	24,000	4,000	20,000
Mr. Adirek Sripratak	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Umroong Sanphasitvong	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Narong Chearavanont	0.00339	304,802	304,802	0
Spouse and minor child	-	-	-	-
Mr. Prasert Jarupanich	-	-	-	-
Spouse and minor child	-	-	-	-

Name	2021		2020	Increase/ Decrease (Shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Mr. Pittaya Jearavisitkul	0.02189	1,966,209	1,966,209	0
Spouse and minor child	-	-	-	-
Mr. Piyawat Titasattavorakul	0.00102	91,256	91,256	0
Spouse and minor child	0.00002	2,000	2,000	0
Mr. Tanin Buranamanit	0.00576	517,366	517,560	(194)
Spouse and minor child	-	-	-	-
Total shareholding by Directors	**0.14346**	**12,886,911**	**12,867,105**	**19,806**

*Prof. Dr. Kittipong Kittayarak had been appointed as a director on October 12, 2021

Shareholdings of the Company by Managements

As at December 31, 2021

Name	2021		2020	Increase/ Decrease (Shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Mr. Yuthasak Poomsurakul	0.00167	150,348	150,348	0
Spouse and minor child	-	-	-	-
Mr. Vichai Janjariyakun	0.00183	164,491	164,491	0
Spouse and minor child	0.00002	1,600	1,600	0
Mr. Wisade Wisidwinyoo	0.00066	59,055	59,055	0
Spouse and minor child	0.00256	230,000	200,000	30,000
Mr. Taweesak Kaewrathtanapattama	0.00118	105,679	105,679	0
Spouse and minor child	0.00537	482,103	482,103	0
Mr. Vichien Chuengviroj	0.00044	39,236	39,236	0
Spouse and minor child	-	-	-	-
Ms. Lawan Tienghongsakul	0.00371	333,183	333,183	0
Spouse and minor child	0.00004	3,500	3,500	-
Mr. Kriengchai Boonpoapichart	0.00384	345,078	345,078	0
Spouse and minor child	-	-	-	-
Mr. Ampa Yongpisanpop	0.00097	87,353	87,353	0
Spouse and minor child	-	-	-	-
Mrs. Nipaporn Ackarapolpanich	0.00038	34,562	34,562	0
Spouse and minor child	-	-	-	-
Mr. Thupthep Jiraadisawong	0.00050	45,171	45,171	0
Spouse and minor child	-	-	-	-

Name	2021		2020	Increase/ Decrease (Shares)
	% to paid-up 8,983,101,348	No. of share (shares)	No. of share (shares)	
Mr. Wiwat Pongritsakda	0.00037	33,223	33,223	0
Spouse and minor child	-	-	-	-
Mrs. Phaphatsorn Thanasorn	0.00127	114,277	114,277	0
Spouse and minor child	-	-	-	-
Mr. Ronnakitt Pojamarnpornchai	0.00116	103,831	105,831	(2,000)
Spouse and minor child	0.00042	37,867	26,467	11,400
Total Shareholding by Management	**0.02639**	**2,370,557**	**2,331,157**	**39,400**
Total Shareholding by Directors and Management	**0.16985**	**15,257,468**	**15,198,262**	**59,206**

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, consequently, the Company became a certified member of 3-year membership of the Collective Action Coalition Against Corruption (CAC) in 2017. On June 30, 2020, the Company received the first renewed certification of Thailand's Private Sector Collective Action Coalition Against Corruption with another 3-year term. The Company is also a member of the United Nations Global Compact (UNGC). The Board of Directors approved the resolution of the Anti-Corruption Policy and practices on Anti-Corruption including 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 anti-corruption measure via communication, public relation and training also disciplinary punishment 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). In 2021, 37 SMEs joined the program and submitted ratification documents to the Collective Action Coalition Against Corruption (CAC) and the Thai Institute of Directors (IOD). Following such success, the Company received the CAC Change Agent Awards 2021 from the CAC for its commitment in transparency and encouraging SME suppliers to participate in the Thai business sector's efforts to combat corruption.

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. Assign each department to gain sufficient prevention and management against corruption risks as well as to acknowledge significant corruption risk events in order to efficiently handle a situation. In 2021, the Company launched certain projects to amend corruption risk management including the "Joining Forces, Combatting Corruption" project in collaboration with government networks, internal risk control project, CCTV improvement project, and the Black Swan Award Project which is a competition for the Company's Employee to join by sending risk issues through electronic platforms or QR Code, which is convenience for employees to participate, under the concept "to search, to prevent and to handle potential risks".

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. Complaints, suspicious fraudulent activities, unethical behavior, illegal acts or inappropriate acts of directors, executives or employees of the Company and its subsidiaries. The Company will investigate any fraudulent cases, punish the wrongdoer, and determine corrective procedures to ensure that the case will not occur again.

1. By email, please send 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 postal mail, please send to
   The Internal Audit Office of CP All Public Company Limited
   119, 16th Floor, Tara Sathorn, Soi Sathorn 5, South Sathorn Rd.,
   Thung Mahamaek, Sathorn, Bangkok 10120
3. Company's Call Center
   Telephone : 0-2071-2770 and 0-2086-7744
   Fax : 0-2071-8623
4. Company's Online Channel
   1. Website: www.cpall.co.th/whistleblowing
   2. Website: www.facebook.com/CPALL7 (Inbox)
5. By CP ALL Connect Application>Portal>Whistleblowing (Internal Use Only)

8.2 Report of Audit Committee during the Past Year

8.2.1 Number of Audit Committee Meetings

During 2021, 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

(Shown 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 2021, the Sustainability and Corporate Governance Committee held 4 meetings, with the Members attending every meeting, as shown below.

Name	Position	Number of Attendance
1. Adj. Prof. Prasobsook Boondech*	Chairman, Sustainability and Corporate Governance Committee	4
2. Pol. Gen. 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	4

* Independent Director

Remuneration and Nomination Committee

During 2021, the Remuneration and Nomination Committee held 3 meetings, with the Members attending every meeting, as shown below.

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

* Independent Director

Executive Committee

During 2021, the Executive Committee held 12 general meetings and 3 special meetings, as shown below.

Name	Position	General Meeting (Monthly) 12 meetings	Special Meeting (1) 1 meeting	Special Meeting (2) 2 meetings
1. Mr. Korsak Chairasmisak	Chairman of Executive Committee	12	1	2
2. Mr. Pittaya Jearavisitkul	Vice Chairman of Executive Committee	12	1	2
3. Mr. Piyawat Titasattavorakul	Vice Chairman of Executive Committee	11	1	2
4. Mr. Umroong Sanphasitvong	Member of Executive Committee	7	1	2
5. Mr. Tanin Buranamanit	Member of Executive Committee	11	1	2
6. Mr. Wisade Wisidwinyoo	Member of Executive Committee	12	1	-

Name	Position	General Meeting (Monthly) 12 meetings	Special Meeting (1) 1 meeting	Special Meeting (2) 2 meetings
7. Mr. Taweesak Kaewrathtanapattama	Member of Executive Committee	12	1	2
8. Mr. Vichien Chuengviroj	Member of Executive Committee	12	0	-
9. Ms. Lawan Tienghongsakul	Member of Executive Committee	12	1	-

Remark: Special Meeting (1) was to consider the international business investment, and Special Meeting, (2) arranged for the Executive Committee who are also the director and for related person, was to consider the acquisition or disposal of assets and connected transaction.

8.3.2 Report of Other Sub-Committee

- Sustainability and Corporate Governance Committee
  (Shown in report of the Sustainability and Corporate Governance Committee)
- Remuneration and Nomination Committee
  (Shown in the report of Remuneration and Nomination Committee)

Internal Control and Connected Transactions

9. Internal Control and Connected 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.

The Company has instilled in its employees at all levels the awareness of good risk management and internal controls. It has put in place self-auditing processes to prevent risks in a flexible manner and ensure that all units comply with principles of good corporate governance according to the internal control framework of the Committee of Sponsoring Organizations of Treadway Commission (COSO), as follows:

1. Control Environment

The Company promotes a good internal control environment by establishing an ongoing policy on good corporate governance and ethics in conducting business, which executives and employees at all levels must be aware of and sign. There are regular communications to inform employees about such policies as well as a CQ Quiz, an exam on these policies, once annually. This exam helps to ensure that all personnel understand and realizes the importance of conducting themselves properly under the framework of good governance. In addition, a cognitive assessment test was conducted in accordance with the company's Personal Data Protection Act (PDPA). Employees were also informed of the Company's Cybersecurity Awareness Policy. 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 the 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, safe compliant communication channel is available, which the complaint's investigation guidelines are clearly established and will take action in a timely manner. Complaints can be filed through company's website or direct to Audit Committee at 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.

The Company has a clear policy on information governance and data security that covers issues such as confidentiality, integrity, and availability, operating according to the international standard ISO 27001. The company has appointed senior management responsible in cybersecurity governance. The IT TASK GROUP working group has also been appointed to supervise the use of information systems and ensure safety and efficiency with regard to business practices. There is also a Cyber Operation team working to protect, detect, and respond to ensure that the cybersecurity system is operating as it should. Training is regularly provided to educate employees at all levels; for instance, employees rehearse set-up cyberattacks with phishing techniques to assess their responses to the situation, so that any further issues can be rectified in a timely manner.

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 from 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 2021, the Audit Committee has established that there are no significant flaws in the Company's internal control system; it is adequate and appropriate to enable effective monitoring and control of Company operations. The internal control system is assessed as capable of protecting the assets of the Company and its subsidiaries from being used by directors or executives inappropriately or without authority. Previously, the Company has also had no flaws detected in its internal control system.

Internal Audit

The Audit Committee ensures that its operations are independent, fair, ethical, and in line with the professional standards of internal auditing, in accordance with the charter of the Audit Committee and the Audit Office which defines the mission, scope of work, authority, and responsibilities as well as clear guidelines for conducting audits. This charter is reviewed annually. The appointment, removal, and transfer of any persons holding the position as the head of internal audit must be approved by the Audit Committee.

The audit office has a risk-based audit plan that emphasizes the creation of various preventive work systems to optimize Company efficiency and maintain company value. This plan helps to raise the quality of assurances and advice given and can be summarized as follows:

1) The audit office has developed its processes to ensure sustainable and continuous added value by bringing technology into the auditing process. It is using data analytics to inspect its business operations for any irregularities. This makes audit planning more effective; the results of the analysis can be used to create a preventive work system or reduce risks. The audit office has also integrated the use of Robotics Process Automation (RPA) to help in repetitive work inspections to save time in inspection work.
2) The audit office recognizes the importance of the Company's plans on digital transformation. Thus, its information technology system auditors are vigilant about verifying the Company's compliance with IT policies, maintaining information technology security, and processing of operational data in critical systems. Such secure systems ensure that users can access the system correctly. In addition, the audit office aims to have an integrated auditing process; this means they set up an operational audit team and an information system audit team to conduct joint audits to improve work processes and pre-empt any abnormalities that may occur.
3) The audit office pushes for good internal control guidelines in accordance with the "Three Lines of Defense" guidelines. They communicate these guidelines to supervisors and operators so that they can comprehensively understand their roles and responsibilities and apply them in self-audits to create sustainable and continuous added value for the Company.
4) The audit office is responsible for auditing, evaluating, and giving advice to first-line operators and their supporting units (second line) to assure the Board of Directors and the Audit Committee that the supervision of risk management and internal controls are effective.
5) The audit office attaches great importance to the development of professional auditors fully equipped with business knowledge. To develop such personnel, they:
    1 Representatives of each business are invited to provide knowledge so that auditors can assess risks and the information in audit planning. The meetings provide for an interesting exchange of knowledge and yields significant findings.
    2 The audit office encourages auditors to adapt to the digital era by giving presentations about how to apply technology in auditing processes and use tools to analyze data and monitor abnormalities in a speedy manner.
    3 The audit office promotes the development of its auditors by holding training in audit knowledge and laws related to business operations. It also promotes the professional internal auditing certification exam.

9.2 Connected Transactions

In 2021, 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 Note5 of the Company's financial statements for the year ended December 31, 2021). 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 Connected Transactions of a Listed Company.

Connected transactions for normal business transaction or supporting normal business transaction were engaged in the normal course of business and complied with Rules on Connected Transactions by virtue of Section 89/12(1) of the Securities and Exchange Act (No.4) B.E. 2551. The Board of Directors has approved in the Board of Directors Meeting No.1/2010 held on 18 February 2010.

The Company's Policy on the Rates of Revenue and Expenses with Connected Parties are as follows:

Revenue from sale of goods	:	The rates are in line with normal business practice and general commercial conditions and standardized with revenue collection from general customers.
Revenue from rendering of services and other income	:	The rates are in line with normal business practice and general commercial conditions.
Cost of sales of goods and rendering of services	:	The rates are in line with normal business practice and general commercial conditions and standardized with purchases made general customers.
Cost of rendering of services and other expenses	:	The rates are in line with normal business practice and general commercial conditions.
Acquisition of assets	:	The rates are in line with normal business practice and general commercial conditions and standardized with acquisitions made with general customers.

Procedures for the Approval of Connected 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 Connected 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 Connected 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 announcement from the Stock Exchange of Thailand, as well as the disclosure rule of the connected transaction. The policy on conflicts of interests is clearly stated in the Company's Code of Business Ethics for the directors and employees to correctly follow. In addition, the Connected Transactions Review Committee has been established to monitor that these transactions are in accordance with the notification of the Capital Market Supervisory Board.

In the case of the purchases and sales of important assets of the Company and its subsidiaries, which are transactions that occur infrequently, the Company has a policy to engage external independent experts such as professional appraisers and independent financial advisors to provide counsel to the Audit Committee for further proposal to the Board of Directors.

Policy on Connected Transactions in the Future

The Board of Directors has a policy that clearly states that Connected 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 Connected 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.

In 2021, the Company and its subsidiaries conducted transactions with connected parties, which the Audit Committee has reviewed and approved the rationale for connected transactions as detailed below.

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
C.P. TOWER GROWTH LEASEHOLD PROPERTY FUND	Majority share held by the CP Group	Rendering of services and other expenses	183	
		Other accounts receivable		7
		Other accounts payable		2
KASETPHAND INDUSTRY CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	1	
		Cost of sales of goods and other expenses	19	
		Other accounts payable		3
CHONBURI TRANSPORTATION COMPANY LIMITED	Majority share indirectly held by the CP Group 99.99%	Other accounts receivable		1,352
KHAO C.P. COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and their father, Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	2	
		Trade and other accounts receivable		1
K.S.P. EQUIPMENT COMPANY LIMITED	Majority share held by the CP Group and have one common Director who is Mr. Prasert Jarupanich	Revenue from sale of goods and rendering of services	2	
CHAROEN POKPHAND GROUP COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and their father, Mr. Dhanin Chearavanont and have two common Directors who are Mr. Soopakij Chearavanont and Mr.Suphachai Chearavanont	Revenue from sale of goods and rendering of services and other income	34	
		Other expenses	24	
		Trade and other accounts receivable		32
		Other accounts payable		5
CHIA TAI GROUP COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and their father, Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services	2	
		Trade accounts receivable		2
GCB (THAILAND) COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Revenue from sale of goods	4	
		Trade accounts receivable		1

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
CHAROEN POKPHAND AGRICULTURE COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	1	
		Assets and other expenses	2	
CHAROEN POKPHAND PRODUCE CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	11	
		Trade and other accounts receivable		4
CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	Majority share held by the CP Group and have four common Directors who are Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Adirek Sripratak and Police General Phatcharavat Wongsuwan	Revenue from sale of goods and rendering of services and other income	53	
		Cost of sales of goods and services and other expenses	404	
		Trade and other accounts receivable		8
		Trade and other accounts payable		58
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	8	
		Trade accounts receivable		1
		Trade accounts payable		2
CHEF CARES PROJECT COMPANY LIMITED	98% held by Mr. Soopakij Chearavanont's wife, who is Chairman of CP ALL	Cost of sales of goods and other expenses	142	
		Trade accounts payable		27
CHESTER FOOD CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	14	
		Trade and other accounts receivable		3
		Trade accounts payable		7
C.P. CONSUMER PRODUCTS CO., LTD.	Majority share held by the CP Group and have one common Directors who is Mr. Prasert Jarupanich	Revenue from sale of goods and rendering of services and other income	117	
		Cost of sales of goods and services and other expenses	704	
		Trade and other accounts receivable		8
		Trade accounts payable		163

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
C.P.FACILITY MANAGEMENT COMPANY LIMITED	Majority share held by the CP Group	Other expenses	28	
		Other accounts payable		2
C.P. FOOD STORE COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and their father, Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	181	
		Cost of sales of goods and Other expenses	1,638	
		Trade and other accounts receivable		12
		Trade and other accounts payable		332
C.P. MERCHANDISING COMPANY LIMITED	Majority share held by the CP Group and have one common Directors who is Mr. Adirek Sripratak and Mrs. Arunee Watcharananan who is Mr. Adirek's younger sister	Revenue from sale of goods and rendering of services	104	
		Cost of sales of goods and services and other expenses	1,375	
		Trade accounts receivable		10
		Trade accounts payable		168
C.P.LAND PUBLIC COMPANY LIMITED	Majority share held by the CP Group and have two common Directors who are Mr. Soopakij Chearavanont and Mr. Narong Chearavanont	Revenue from sale of goods and rendering of services and other income	28	
		Cost of sales of goods and Other expenses	3	
		Trade accounts receivable		4
C.P. POLY-INDUSTRY CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services	6	
		Trade accounts receivable		1
C.P INTERTRADE CO., LTD.	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and their father, Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	3	
		Assets and cost of sales of goods and rendering of services and other expenses	2	
C.P. PACKAGING INDUSTRY CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	61	
		Cost of sales of goods and services and other expenses	827	
		Trade and other accounts receivable		2
		Trade accounts payable		212

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
CT FRESH COMPANY LIMITED	Majority share held by Mr. Dhanin Chearavanont who is Mr. Soopakij Chearavanont's father who is Chairman of CP ALL	Cost of sales of goods	8	
		Trade accounts payable		3
CP SALES & SERVICE CO., LTD.	Majority share held by the CP Group	Rendering of services	41	
		Trade and other accounts receivable		41
		Trade accounts payable		30
CP SOCIAL IMPACT 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	Other expenses	4	
CP NATURE 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 and Other expenses	32	
		Trade accounts payable		8
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	99	
		Cost of sales of goods and services and other expenses	1,907	
		Trade and other accounts receivable		85
		Trade and other accounts payable		518
CP B&F TRADING COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	15	
CP MATCH CO., LTD.	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives as the major shareholders	Other expenses	12	
		Other accounts payable		1

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
CP HILAI HARBOUR COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods	5	
		Trade and other accounts receivable		2
CPPC PUBLIC COMPANY LIMITED	Majority share held by the CP Group and have three common Directors who are Mr. Suphachai Chearavanont, Mr. Umroong Sanphasitvong and Mr. Narong Chearavanont	Revenue from sale of goods and rendering of services and other income	8	
		Trade accounts receivable		1
CP-MEIJI CO., LTD.	Majority share held by the CP Group and have one common Directors who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services and other income	148	
		Cost of sales of goods and services and other expenses	3,834	
		Trade and other accounts receivable		11
		Trade and other accounts payable		783
CPF (THAILAND) PUBLIC COMPANY LIMITED	Majority share held by the CP Group and have one common Directors who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services and other income	424	
		Cost of sales of goods and services and other expenses	44	
		Trade and other accounts receivable		50
		Trade and other accounts payable		115
CPF TRADING CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	489	
		Cost of sales of goods and services and other expenses	25,342	
		Trade and other accounts receivable		32
		Trade and other accounts payable		5,881
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	33	
		Trade and other accounts receivable		1

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
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	60	
		Cost of sales of goods and Other expenses	99	
		Trade and other accounts receivable		10
		Trade and other accounts payable		36
CPF IT CENTER CO., LTD.	Majority share held by the CP Group and have one common Directors who is Mr. Adirek Sripratak	Revenue from sale of goods and rendering of services	53	
		Other expenses	1	
		Trade accounts receivable		49
DAK GALBI GROUP COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services	2	
		Trade accounts receivable		1
DEES SUPREME COMPANY LIMITED	Majority share held by Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Other income	2	
		Cost of sales of goods and Other expenses	213	
		Trade accounts payable		36
DYNAMIC TRANSPORT COMPANY LIMITED	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont and their father, Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	1	
		Cost of sales of goods	239	
		Trade and other accounts receivable		1
		Other accounts payable		51
TRUE GS CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	4	
		Cost of sales of goods	43	
		Trade and other accounts receivable		7
		Trade accounts payable		14

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
TRUE DIGITAL GROUP CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	92	
		Cost services and other expenses	2	
		Trade and other accounts receivable		17
		Trade and other accounts payable		21
TRUE DISTRIBUTION & SALES CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	165	
		Assets and cost of sales of goods and other expenses	153	
		Trade and other accounts receivable		24
		Trade and other accounts payable		(99)
TRUE PROPERTIES CO., LTD.	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai 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	7	
		other expenses	1	
		Trade accounts receivable		2
TRUE MONEY COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Rendering of services and other income	594	
		Cost of sales of goods and services and other expenses	11,902	
		Trade and other accounts receivable		529
		Trade and other accounts payable		219

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
TRUE MOVE H UNIVERSAL COMMUNICATION CO., LTD.	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	570	
		Cost of sales of goods and services and other expenses	359	
		Trade and other accounts receivable		359
		Trade and other accounts payable		76
TRUE UNITED FOOTBALL CLUB CO., LTD.	Majority share held by the CP Group	Rendering of services and other income	1	
		Cost of sales of goods and Other expenses	45	
		Trade and other accounts payable		48
TRUE LEASING CO., LTD.	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and father and close relatives	Rendering of services and other expenses	115	
		Trade and other accounts payable		52
TRUE LIFESTYLE RETAIL COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Revenue from sale of goods and rendering of services	3	
		Trade and other accounts receivable		1
TRUE VISIONS GROUP CO., LTD.	Majority share held by the CP Group and have three common Directors who are Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont and Mr. Narong Chearavanont	Other expenses	10	
		Trade and other accounts payable		1
TRUE INTERNET CORPORATION CO., LTD.	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 and services and other expenses	462	
		Trade and other accounts payable		146

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
TRUE INTERNET DATA CENTER COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Rendering of services and other income	15	
		Assets and other expenses	24	
		Other accounts receivable		1
		Other accounts payable		3
TRUE E-LOGISTICS COMPANY LIMITED	Majority share held by the CP Group	Rendering of services	1	
		Rendering of services and other expenses	74	
		Trade accounts receivable		1
		Other accounts payable		15
TACHARM AGRICULTURAL INDUSTRY CO., LTD.	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	3	
THAI KODAMA COMPANY LIMITED	Majority share held by Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Revenue from sale of goods and rendering of services and other income	1	
		Cost of sales of goods and Other expenses	34	
		Trade and other accounts payable		8
THAI NEWS NETWORK (INN) CO., LTD.	Majority share held by the CP Group	Other expenses	8	
		Other accounts payable		5
BFKT (THAILAND) CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	4	
		Other accounts payable		6
BFX COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods	14	
B&F COFFEE COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	15	
		Cost of sales of goods	6	
		Trade accounts receivable		1
		Trade accounts payable		3
LEADERSHIP DEVELOPMENT CHAROEN POLPHAND GROUP CO., LTD.	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	1	
		Other expenses	107	
		Other accounts payable		4

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
PANTAVANIJ COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives and have two common Directors who are Mr. Suphachai Chearavanont and Mr. Umroong Sanphasitvong	Revenue from sale of goods and other income	6	
		Assets and cost of sales of goods and other expenses	11	
		Trade accounts receivable		1
		Other accounts payable		1
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	92	
		Cost of sales of goods and services and other expenses	1,377	
		Trade and other accounts receivable		14
		Trade and other accounts payable		407
FREEWILL SOLUTIONS CO., LTD.	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives and have two common Director who are Mr. Suphachai Chearavanont and Mr. Prasert Jarupanich	Assets and other expenses	20	
		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	6	
MAGNOLIA QUALITY DEVELOPMENT CORPORATION CO., LTD.	Majority share held by Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives	Revenue from sale of goods and rendering of services	6	
ROSS BREEDERS SIAM COMPANY LIMITED	Majority share held by the CP Group and have three common Director who are Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont and Mr. Adirek Sripratak	Revenue from sale of goods	2	

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
WHIZDOM LANDMARK CORPORATION COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives and have one common Director who is Mr. Narong Chearavanont	Other expenses	2	
WIRE AND WIRGLESS CO., LTD.	Majority share held by the CP Group and Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont and close relatives and Mr. Dhanin Chearavanont	Revenue from sale of goods and rendering of services and other income	22	
		Cost of sales of goods	940	
		Trade and other accounts receivable		22
		Trade accounts payable		485
CPF FOOD RESEARCH & DEVELOPMENT CENTER COMPANY LIMITED	Majority share held by the CP Group	Revenue from sale of goods	2	
		Trade accounts receivable		1
All Now Management Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	3	
		Assets, cost of sales of goods and services and other expenses	143	
		Trade and other accounts receivable		20
		Other accounts payable		6
ALL Now Logistics Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	3	
		Cost of sales of goods and services and other expenses	138	
		Trade and other accounts receivable		12
		Trade and other accounts payable		62
ARBER ACERS THAILAND CO., LTD.	Majority share held by the CP Group and have three common Director who are Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Adirek Sripratak	Revenue from sale of goods	3	

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
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	138	
		Trade and other accounts receivable		1
		Trade accounts payable		42
EGG DIGITAL COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Cost of sales of goods and rendering of services and other expenses	53	
		Other accounts payable		29
EKO CORPORATION COMPANY LIMITED	Majority share held by Mr. Korawad Chearavanont who is Mr. Suphachai Chearavanont's son (CP ALL's Board of Director) who EKO's committee	Other accounts payable		9
ADVANCE TRANSPORT CO., LTD.	Majority share held by Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont and Mr. Dhanin Chearavanont	Cost of sales of goods and Other expenses	18	
		Other accounts payable		5
ADVANCE PHARMA CO., LTD.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	4	
		Cost of sales of goods and Other expenses	7	
		Trade accounts payable		1
ASCEND COMMERCE COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Cost of sales of goods and Other expenses	7	
		Other accounts payable		16
ASCEND FOOD COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives	Revenue from sale of goods and other income	6	

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
ICONSIAM COMPANY LIMITED	Majority share held by the CP Group and Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Narong Chearavanont and close relatives and have three common Director who are Mr. Umroong Sanphasitvong, Mr. Piyawat Titasattavorakul, Mr. Narong Chearavanont	Other expenses	9	
Asia Aquaculture (M) Sdn. Bhd.	Majority share held by the CP Group indirectly through related parties	Other accounts receivable		2
		Trade accounts payable		25
C.P.Cambodia Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	8	
		Cost of sales of goods	37	
		Trade accounts receivable		1
		Trade and other accounts payable		4
C.P.Vietnam Corporation	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	18	
		Cost of sales of goods	73	
		Trade accounts receivable		2
		Trade and other accounts payable		10
Charoen Pokphand Foods Philippines Corporation	Majority share held by the CP Group	Rendering of services and other income	2	
CP Avant Private Limited	Majority share held by the CP Group	Cost of sales of goods and Other expenses	2	
CP B&F (Cambodia) Co., Ltd.	Majority share held by the CP Group	Revenue from sale of goods and rendering of services and other income	11	
		Assets and cost of sales of goods and other expenses	12	
		Trade and other accounts receivable		15
		Trade and other accounts payable		1
CP Coffee Business Hong Kong Company Limited	Majority share held by the CP Group	Other income	(14)	

Connected Party	Type of Connected Transactions	Type of Connected Transactions	Total Transaction Value 2021*	Outstanding Value as 31 Dec 2021**
CPF Hong Kong Co., Ltd.	Majority share held by the CP Group indirectly through related parties	Trade accounts payable		2
Pk Agro-industrial Product (MALAYSIA) Sdn. Bhd	Majority share held by the CP Group indirectly through related parties	Rendering of services and other income	13	
		Cost of sales of goods	146	
		Other accounts receivable		5
		Trade and other accounts payable		96
Westbridge Foods Ltd.	Majority share held by the CP Group	Cost of sales of goods	6	
Others		Revenue from sale of goods and rendering of services and other income	21	
		Assets and cost of sales of goods and other expenses	10	
		Trade and other accounts receivable		200
		Trade and other accounts payable		118

*/** Unit: Million Baht

Note : The details of related transactions in 2020 and 2019 has been disclosed in 56-1 One Report and Annual Report, historical data can be reviewed for comparison on the Company's website.

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, 2021, 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.

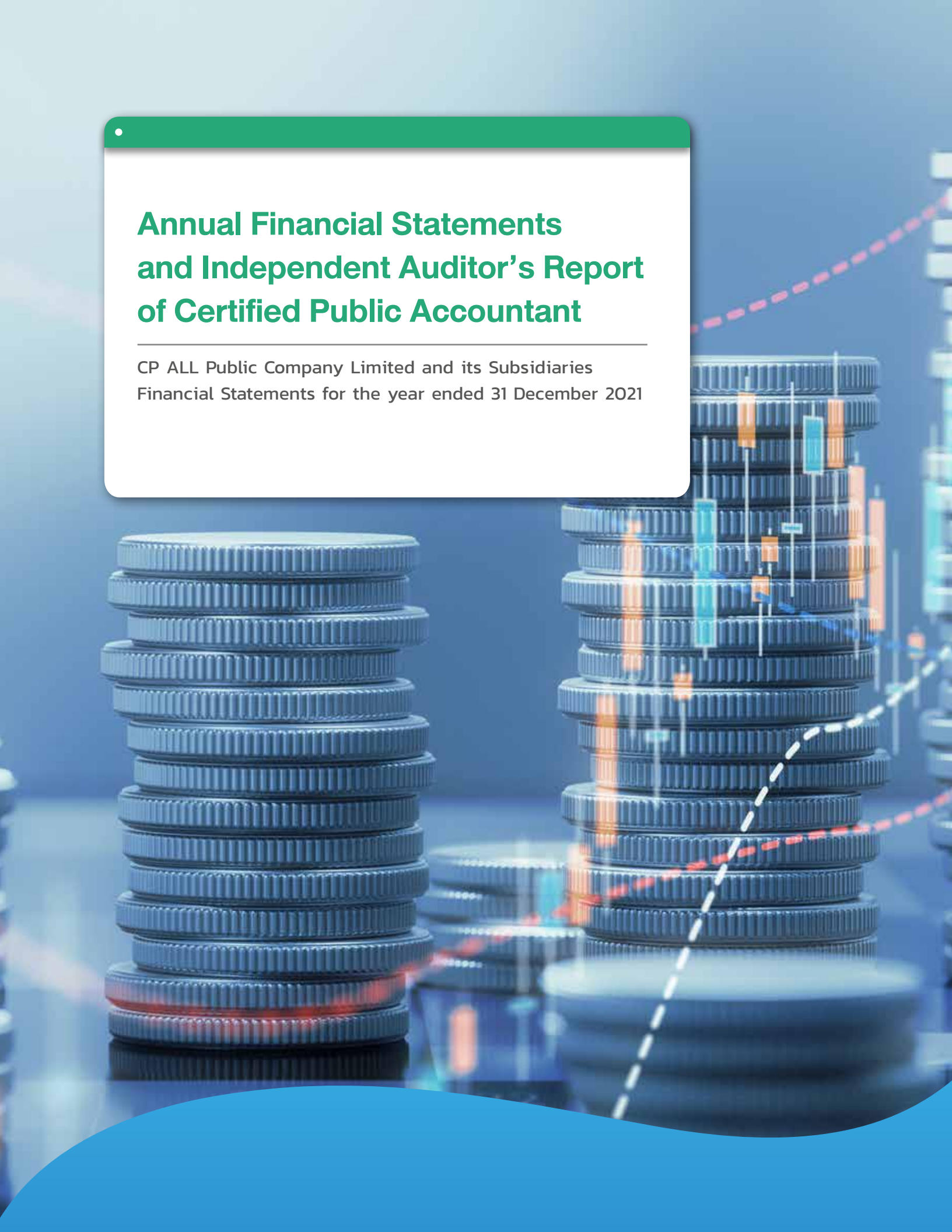
The Board of Directors believes that the effectiveness of the Company's overall internal control system is satisfactory and able to create credibility and reliability for the separate and consolidated financial statements of CP ALL Public Company Limited and its subsidiaries for the period ended December 31, 2021.

(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 2021



Independent Auditor's Report

To the Shareholders of CP ALL Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries (the "Group") and of CP ALL Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 2021 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 3(g) and 9 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management's judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories. I considered this to be a key audit matter.	My audit procedures included the following: • Understood the inventory control and management policy and the estimation of net realisable value of inventories. • Tested a sample of the aging of inventory and the reasonableness of assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories determined by management and compared that percentage with information for destruction and shrinkage inventories. • Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value. • Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Impairment of goodwill and other intangible assets	
Refer to notes 3(j), 3(k), 3(m), 16 and 17 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from a business acquisition. The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions. The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. I considered this to be a key audit matter.	My audit procedures included the following: • Understood the process of the estimated recoverable amount to assess the impairment. • Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions. • Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Business combination by entire business transfer	
Refer to notes 3(a), 4 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
On 25 October 2021, the Group completed business combination by entire business transfer of Lotus's Group. The Group has engaged independent valuers to estimate fair value of identifiable assets acquired and liabilities assumed, including consideration transferred, which result in the recording of provisional intangible assets of Baht 5,221 million and provisional goodwill of Baht 232,545 million in the consolidated statement of financial position as at 31 December 2021. Due to the materiality, complexities of the transactions, and the significant judgement involved in identification and determining the fair value of identifiable assets acquired and liabilities assumed, including consideration transferred, I considered this to be a key audit matter.	My audit procedures included the following: • Inquired management and read the entire business transfer agreements to understand key objective, terms and conditions of the transactions. • Evaluated appropriateness of the identification of all the identifiable assets acquired and liabilities assumed by the Group. • Evaluated knowledge, competency and independence of the independent valuer of the Group. • Evaluated appropriateness of assumptions and methodologies underpinning the valuations of the fair value of identifiable assets acquired and liabilities assumed, including consideration transferred in independent valuer's draft appraisal report and tested calculation. • Involved KPMG valuation specialist to evaluate the financial parameters applied to the discount rate, identification of the intangible assets, valuation methodology used and calculation rationale. • Assessed the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 4 to the financial statements, during the year ended 31 December 2021, the Group completed the business combination by entire business transfer of Lotus's Group, the independent valuers are still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed from the business combination. For the preparation of the consolidated financial statements for the year ended 31 December 2021, the Group has provisionally estimated the fair values of the identifiable assets acquired and liabilities assumed from the business combination by considering information in the draft appraisal report obtained from the independent valuers and recorded the difference between the consideration trasferred and values of the assets and liabilities in the account "Goodwill" amounting to Baht 232,545 million. As at the reporting date, the reviews of appraisal report have not yet been completed therefore the determination of the fair value and the allocation of the consideration transferred was determined provisionally and is subject to potential amendment. My opinion is not modified in respect of this matter.

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
24 February 2022

Statement of financial position

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	*Note*	2021	2020	2021	2020
		(in Baht)			
Current assets					
Cash and cash equivalents	*6*	92,347,866,825	40,589,081,046	19,457,191,000	21,577,546,296
Current investments	*7*	4,785,739,471	36,568,950	-	-
Trade accounts receivable	*5, 8*	3,340,619,443	1,650,221,749	161,694,336	251,727,193
Other current receivables	*5, 8*	13,744,697,837	7,177,743,244	8,782,826,158	5,264,342,188
Short-term loans to subsidiaries	*5*	-	-	7,654,964,500	5,500,000,000
Inventories	*5, 9*	50,534,771,233	31,748,781,315	16,316,273,366	15,107,036,417
Derivatives assets	*34*	608,936,805	513,478	-	-
Other current assets		410,481,036	222,880,116	168,922,690	184,671,983
Total current assets		**165,773,112,650**	**81,425,789,898**	**52,541,872,050**	**47,885,324,077**
Non-current assets					
Investments in subsidiaries	*11*	-	-	281,356,774,084	201,010,496,273
Investment in associate	*10*	9,139,468,357	85,552,404,610	-	85,634,847,791
Investments in joint ventures	*10*	4,875,371,520	-	-	-
Investments in related companies	*5, 34*	820,820,832	34,000,000	526,070,832	34,000,000
Other long-term investments		2,041,800	2,041,800	-	-
Other non-current receivables		224,077,941	170,938,304	-	-
Investment properties	*13*	45,488,687,686	332,832,502	-	-
Property, plant and equipment	*5, 14*	211,533,291,450	120,176,726,188	40,782,361,168	39,046,981,901
Right-of-use assets	*15*	77,266,393,792	52,898,697,527	38,726,575,504	41,010,868,851
Goodwill	*16*	360,641,443,961	128,096,020,528	-	-
Intangible assets other than goodwill	*5, 17*	51,115,273,741	51,706,294,153	2,310,531,960	1,973,594,681
Deferred tax assets	*31*	2,598,613,704	1,786,493,870	1,842,702,912	1,117,351,038
Other non-current assets	*5*	2,413,966,984	1,172,090,328	1,096,923,169	1,290,810,764
Total non-current assets		**766,119,451,768**	**441,928,539,810**	**366,641,939,629**	**371,118,951,299**
Total assets		**931,892,564,418**	**523,354,329,708**	**419,183,811,679**	**419,004,275,376**

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

Statement of financial position

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	*Note*	2021	2020	2021	2020
		(in Baht)			
Current liabilities					
Short-term borrowings from financial institutions	*18, 34*	42,690,844,508	1,050,248,650	13,492,976,226	-
Trade accounts payable	*5, 19, 34*	106,863,249,856	72,777,713,069	38,701,165,419	36,492,527,894
Other payables	*5, 20, 34*	31,802,846,357	14,799,539,482	14,596,201,492	15,521,456,203
Contract liabilities	*25*	815,803,105	957,796,709	-	-
Short-term borrowings from subsidiary	*5, 18*	-	-	1,400,000,000	-
Short-term borrowings from other parties	*18, 34*	-	6,007,420	-	-
Current portion of debentures	*18, 34*	16,997,834,499	14,500,841,304	16,997,834,499	14,500,841,304
Current portion of long-term borrowings from financial institutions	*18, 34*	2,368,606,438	5,324,505,824	-	-
Current portion of lease liabilities	*5, 18, 34*	9,942,875,276	7,400,519,692	6,709,803,060	6,772,163,533
Income tax payable		1,338,574,635	1,210,134,515	-	-
Current derivatives liabilities	*34*	831,727,942	4,387,302,372	118,111,175	4,386,416,127
Other current liabilities		1,235,700,633	859,961,090	695,346,672	641,007,820
Total current liabilities		**214,888,063,249**	**123,274,570,127**	**92,711,438,543**	**78,314,412,881**
Non-current liabilities					
Debentures	*18, 34*	205,351,363,635	138,494,974,464	205,351,363,635	138,494,974,464
Long-term borrowings from financial institutions	*18, 34*	106,327,990,554	83,007,576,748	-	79,620,397,657
Lease liabilities	*5, 18, 34*	78,597,183,378	43,182,892,255	33,408,291,712	35,246,188,174
Provisions for employee benefits	*21*	6,643,514,241	5,085,198,792	2,880,459,809	2,866,139,225
Other non-current provisions	*22*	2,574,938,243	76,395,679	180,000,000	-
Rental deposits from tenants	*5, 34*	2,474,694,825	31,683,010	-	-
Accrued guarantee deposits	*34*	3,518,951,986	3,633,861,139	3,529,805,025	3,621,843,281
Deferred tax liabilities	*31*	17,848,389,315	14,946,902,816	-	-
Non-current derivatives liabilites	*34*	172,710,535	-	-	-
Other non-current liabilities		687,537,400	25,244,743	-	-
Total non-current liabilities		**424,197,274,112**	**288,484,729,646**	**245,349,920,181**	**259,849,542,801**
Total liabilities		**639,085,337,361**	**411,759,299,773**	**338,061,358,724**	**338,163,955,682**

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

Statement of financial position

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements 31 December		Separate financial statements 31 December	
Liabilities and equity *(Continued)*	*Note*	2021	2020	2021	2020
		(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	*23*				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Surplus (deficit) from changes in ownership interests in subsidiaries and associate	*23*	288,832,931	(1,462,713,268)	-	-
Retained earnings					
Appropriated					
Legal reserve	*23*	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		72,342,210,355	68,357,833,009	49,384,148,362	49,363,747,267
Perpetual subordinated debentures	*24*	19,911,229,700	19,909,154,200	19,911,229,700	19,909,154,200
Other components of equity	*23*	24,435,462	(1,612,948,189)	259,656,666	-
Equity attributable to equity holders of the Company		**104,134,126,675**	**96,758,743,979**	**81,122,452,955**	**80,840,319,694**
Non-controlling interests	*12*	188,673,100,382	14,836,285,956	-	-
Total equity		**292,807,227,057**	**111,595,029,935**	**81,122,452,955**	**80,840,319,694**
Total liabilities and equity		**931,892,564,418**	**523,354,329,708**	**419,183,811,679**	**419,004,275,376**

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 For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Revenues	*5*				
Revenue from sale of goods and rendering of services		565,207,287,399	525,884,319,399	290,228,104,650	300,705,032,096
Interest income		128,881,597	156,535,609	266,982,122	337,590,810
Dividend income		336,633	299,638	7,064,481,560	6,768,016,930
Net foreign exchange gain		407,191,807	225,976,671	359,448,769	146,908,098
Gain from sale of investments in subsidiaries	*11*	1,317,482,006	-	1,710,600,000	-
Other income	*27*	20,535,772,455	20,322,864,346	20,805,744,385	20,572,106,313
Total revenues		**587,596,951,897**	**546,589,995,663**	**320,435,361,486**	**328,529,654,247**
Expenses	*5*				
Cost of sale of goods and rendering of services		444,838,444,699	410,880,026,805	210,777,774,677	216,980,999,314
Distribution costs		97,680,470,375	91,135,550,810	77,326,834,550	77,152,016,030
Administrative expenses		19,186,391,197	16,722,647,070	13,109,431,577	11,981,566,379
Impairment for loss on intangible assets other than goodwill	*17*	7,159,086,365	-	-	-
Total expenses		**568,864,392,636**	**518,738,224,685**	**301,214,040,804**	**306,114,581,723**
Profit from operating activities		**18,732,559,261**	**27,851,770,978**	**19,221,320,682**	**22,415,072,524**
Gain on step acquisition	*4*	6,714,300,702	-	-	-
Share of loss of associate and joint ventures accounted for using equity method	*10*	(226,474,305)	(63,415,210)	-	-
Profit before finance costs and income tax expense (income)		**25,220,385,658**	**27,788,355,768**	**19,221,320,682**	**22,415,072,524**
Finance costs	*5, 30*	12,643,003,583	8,525,992,023	11,008,736,186	7,822,083,157
Profit before income tax expense (income)		**12,577,382,075**	**19,262,363,745**	**8,212,584,496**	**14,592,989,367**
Income tax expense (income)	*31*	524,889,499	2,759,491,185	(819,095,505)	295,026,227
Profit for the year		**12,052,492,576**	**16,502,872,560**	**9,031,680,001**	**14,297,963,140**
Profit attributable to:					
Equity holders of the Company		12,985,479,957	16,102,416,901	9,031,680,001	14,297,963,140
Non-controlling interests	*12*	(932,987,381)	400,455,659	-	-
Profit for the year		**12,052,492,576**	**16,502,872,560**	**9,031,680,001**	**14,297,963,140**
Basic earnings per share *(in Baht)*	*32*	**1.33**	**1.68**	**0.89**	**1.48**

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 31 December		Separate financial statements 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Profit for the year		**12,052,492,576**	**16,502,872,560**	**9,031,680,001**	**14,297,963,140**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		1,522,000,516	558,361,729	-	-
Loss on cash flow hedges	*31, 34*	(66,468,535)	(4,698,469,364)	-	(4,698,469,364)
Gain on cash flow hedges	*34*	2,563,874,518	391,556,381	2,563,874,518	391,556,381
Income tax relating to components of other comprehensive income on loss on cash flow hedges	*31, 34*	13,293,707	-	-	-
Gain on cash flow hedges reclassified to profit or loss	*34*	(2,632,109,509)	(391,556,381)	(2,563,874,518)	(391,556,381)
Share of other comprehensive income of investments accounted for using equity method	*10*	364,271,376	(19,027,971)	-	-
Share of other comprehensive income of investments accounted for using equity method reclassified to profit or loss		(345,243,405)	-	-	-
		1,419,618,668	**(4,159,135,606)**	**-**	**(4,698,469,364)**
Items that will not be reclassified subsequently to profit or loss					
Gain on investments in equity instruments designated at FVOCI	*31, 34*	324,570,832	-	324,570,832	-
Income tax relating to gain on investments in equity instruments designated at FVOCI	*31*	(64,914,166)	-	(64,914,166)	-
Gain on remeasurements of defined benefit plans	*21, 31*	276,107,066	50,769,512	150,734,759	61,123,702
Income tax relating to components of other comprehensive income on gain on remeasurements of defined benefit plans	*31*	(54,591,259)	(8,512,201)	(30,146,952)	(12,224,741)
		481,172,473	**42,257,311**	**380,244,473**	**48,898,961**
Other comprehensive income for the year, net of income tax		**1,900,791,141**	**(4,116,878,295)**	**380,244,473**	**(4,649,570,403)**
Total comprehensive income for the year		**13,953,283,717**	**12,385,994,265**	**9,411,924,474**	**9,648,392,737**

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 For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Total comprehensive income attributable to:					
Equity holders of the Company		14,819,668,002	11,984,494,957	9,411,924,474	9,648,392,737
Non-controlling interests	*12*	(866,384,285)	401,499,308	-	-
Total comprehensive income for the year		**13,953,283,717**	**12,385,994,265**	**9,411,924,474**	**9,648,392,737**

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

Statement of changes in equity

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements													
					Retained earnings			Other components of equity							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus (deficit) from changes in ownership interests in subsidiaries and associate	Legal reserve	Unappropriated	Perpetual subordinated debentures	Translation reserve	Cash flow hedges reserve	Fair value reserve	Share of other comprehensive income of investments accounted for using equity method	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
								(in Baht)							
For the year ended 31 December 2021															
Balance at 1 January 2021		8,983,101,348	1,684,316,879	(1,462,713,268)	900,000,000	68,357,833,809	19,909,154,200	(1,593,920,218)	-	-	(19,027,971)	(1,612,948,189)	96,758,743,979	14,836,185,956	111,595,029,935
Transactions with equity holders, recorded directly in equity															
Distributions to equity holders															
Dividends	33	-	-	-	-	(8,084,791,213)	-	-	-	-	-	-	(8,084,791,213)	(332,105,588)	(8,416,896,801)
Total distributions to equity holders		-	-	-	-	(8,084,791,213)	-	-	-	-	-	-	(8,084,791,213)	(332,105,588)	(8,416,896,801)
Changes in ownership interests in subsidiaries and associate															
Called for paid-up share capital from subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	2,797,012	2,797,012
Loss in control over a subsidiary	11	-	-	-	-	-	-	-	-	-	-	-	-	(56)	(56)
Changes in ownership interest in subsidiary without a change in control	11	-	-	1,751,546,199	-	-	-	-	-	-	-	-	1,751,546,199	175,032,507,337	176,784,053,536
Change in ownership interest in associate	10	-	-	-	-	(66,040,292)	-	-	-	-	-	-	(66,040,292)	-	(66,040,292)
Total changes in ownership interests subsidiaries and associate		-	-	1,751,546,199	-	(66,040,292)	-	-	-	-	-	-	1,685,505,907	175,035,304,299	176,720,810,206
Total transactions with equity holders, recorded directly in equity		-	-	1,751,546,199	-	(8,150,831,505)	-	-	-	-	-	-	(6,399,285,306)	174,703,198,711	168,303,913,405
Comprehensive income for the year															
Profit		-	-	-	-	12,985,479,957	-	-	-	-	-	-	12,985,479,957	(932,987,381)	12,052,492,576
Other comprehensive income		-	-	-	-	196,804,394	-	1,431,451,183	(72,752,169)	259,656,666	19,027,971	1,637,383,651	1,834,188,045	66,603,096	1,900,791,141
Total comprehensive income for the year		-	-	-	-	13,182,284,351	-	1,431,451,183	(72,752,169)	259,656,666	19,027,971	1,637,383,651	14,819,668,002	(866,384,285)	13,953,283,717
Issuance of perpetual subordinated debentures	24	-	-	-	-	-	9,955,000,000	-	-	-	-	-	9,955,000,000	-	9,955,000,000
Redemption of perpetual subordinated debentures	24	-	-	-	-	(47,075,500)	(9,952,924,500)	-		-	-	-	(10,000,000,000)	-	(10,000,000,000)
Interest payment on perpetual subordinated debentures	24	-	-	-	-	(1,000,000,000)	-	-	-	-	-	-	(1,000,000,000)	-	(1,000,000,000)
Balance at 31 December 2021		8,983,101,348	1,684,316,879	288,832,931	900,000,000	72,342,210,355	19,911,229,700	(162,469,035)	(72,752,169)	259,656,666	-	24,435,462	104,134,126,675	188,673,100,382	292,807,227,057

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

Statement of changes in equity

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements

					Retained earnings		Other components of equity							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Deficit from changes in ownership interests in subsidiaries	Legal reserve	Unappropriated	Perpetual subordinated debentures	Translation reserve *(in Baht)*	Cash flow hedges reserve	Share of other comprehensive income of investment accounted for using equity method	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
For the year ended 31 December 2020														
Balance at 1 January 2020		**8,983,101,348**	**1,684,316,879**	**(1,442,732,789)**	**900,000,000**	**64,441,786,431**	**19,909,154,200**	**(2,148,249,520)**	**-**	**-**	**(2,148,249,520)**	**92,327,376,549**	**14,642,393,951**	**106,969,770,500**
Transactions with equity holders, recorded directly in equity														
Distributions to equity holders														
Dividends	*33*	-	-	-	-	(11,228,876,685)	-	-	-	-	-	(11,228,876,685)	(318,820,902)	(11,547,697,587)
Total distributions to equity holders		-	-	-	-	**(11,228,876,685)**	-	-	-	-	-	**(11,228,876,685)**	**(318,820,902)**	**(11,547,697,587)**
Changes in ownership interests in subsidiaries														
Called for paid-up share capital from subsidiaries		-	-	-	-	-	-	-	-	-	-	-	110,223,120	110,223,120
Changes in ownership interest in subsidiary without a change in control	*11*	-	-	(19,980,479)	-	-	-	-	-	-	-	(19,980,479)	990,479	(18,990,000)
Total changes in ownership interests in subsidiaries		-	-	**(19,980,479)**	-	-	-	-	-	-	-	**(19,980,479)**	**111,213,599**	**91,233,120**
Total transactions with equity holders, recorded directly in equity		-	-	**(19,980,479)**	-	**(11,228,876,685)**	-	-	-	-	-	**(11,248,857,164)**	**(207,607,303)**	**(11,456,464,467)**
Comprehensive income for the year														
Profit		-	-	-	-	16,102,416,901	-	-	-	-	-	16,102,416,901	400,455,659	16,502,872,560
Other comprehensive income		-	-	-	-	45,246,089	-	554,329,302	(4,698,469,364)	(19,027,971)	(4,163,168,033)	(4,117,921,944)	1,043,649	(4,116,878,295)
Total comprehensive income for the year		-	-	-	-	**16,147,662,990**	-	**554,329,302**	**(4,698,469,364)**	**(19,027,971)**	**(4,163,168,033)**	**11,984,494,957**	**401,499,308**	**12,385,994,265**
Interest payment on perpetual subordinated debentures	*24*	-	-	-	-	(1,002,739,727)	-	-	-	-	-	(1,002,739,727)	-	(1,002,739,727)
Transfer to initial carrying amount of hedged item	*19*	-	-	-	-	-	-	-	4,698,469,364	-	4,698,469,364	4,698,469,364	-	4,698,469,364
Balance at 31 December 2020		**8,983,101,348**	**1,684,316,879**	**(1,462,713,268)**	**900,000,000**	**68,357,833,009**	**19,909,154,200**	**(1,593,920,218)**	**-**	**(19,027,971)**	**(1,612,948,189)**	**96,758,743,979**	**14,836,285,956**	**111,595,029,935**

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						
				Retained earnings			Other component of equity	
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Perpetual subordinated debentures	Fair value reserve	Total equity
					(in Baht)			
For the year ended 31 December 2021								
Balance at 1 January 2021		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**49,363,747,267**	**19,909,154,200**	**-**	**80,840,319,694**
Transactions with equity holders, recorded directly in equity								
Distributions to equity holders								
Dividends	*33*	-	-	-	(8,084,791,213)	-	-	(8,084,791,213)
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**(8,084,791,213)**	**-**	**-**	**(8,084,791,213)**
Comprehensive income for the year								
Profit		-	-	-	9,031,680,001	-	-	9,031,680,001
Other comprehensive income		-	-	-	120,587,807	-	259,656,666	380,244,473
Total comprehensive income for the year		**-**	**-**	**-**	**9,152,267,808**	**-**	**259,656,666**	**9,411,924,474**
Issuance of perpetual subordinated debentures	*24*	-	-	-	-	9,955,000,000	-	9,955,000,000
Redemption of perpetual subordinated debentures	*24*	-	-	-	(47,075,500)	(9,952,924,500)	-	(10,000,000,000)
Interest payment on perpetual subordinated debentures	*24*	-	-	-	(1,000,000,000)	-	-	(1,000,000,000)
Balance at 31 December 2021		**8,983,101,348**	**1,684,316,879**	**900,000,000**	**49,384,148,362**	**19,911,229,700**	**259,656,666**	**81,122,452,955**

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

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings: Legal reserve	Retained earnings: Unappropriated	Perpetual subordinated debentures	Other component of equity: Cash flow hedges reserve	Total equity
					(in Baht)			
For the year ended 31 December 2020								
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	*33*	-	-	-	(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	*24*	-	-	-	(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 cash flows

CP ALL Public Company Limited and its Subsidiaries

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Cash flows from operating activities					
Profit for the year		12,052,492,576	16,502,872,560	9,031,680,001	14,297,963,140
Adjustments to reconcile profit to cash receipts					
Depreciation of investment properties	*13*	748,587,692	-	-	-
Depreciation of property, plant and equipment	*14*	12,386,127,286	10,892,144,839	7,165,993,582	6,754,924,481
Depreciation of right-of-use assets	*15*	10,460,698,642	9,003,221,459	8,681,426,114	7,808,152,359
Amortisation of intangible assets other than goodwill	*17*	890,625,540	754,584,359	329,277,194	288,737,371
Interest income		(128,881,597)	(156,535,609)	(266,982,122)	(337,590,810)
Dividend income		(336,633)	(299,638)	(7,064,481,560)	(6,768,016,930)
Gain from sale of investments in subsidiaries	*11*	(1,317,482,006)	-	(1,710,600,000)	-
Finance costs	*30*	12,643,003,583	8,525,992,023	11,008,736,186	7,822,083,157
Income tax expense (income)	*31*	524,889,499	2,759,491,185	(819,095,505)	295,026,227
Provisions for employee benefits	*21*	468,557,582	419,535,305	211,920,196	214,921,920
Loss (reversal of allowance for loss) on decline in value of inventories	*9*	1,990,950,963	113,523,020	(62,554)	54,366,821
Reversal of impairment loss on investment properties	*13*	(1,302,869)	-	-	-
Impairment loss on property, plant and equipment	*14*	79,556,019	39,000	-	-
Impairment loss on right-of-use assets	*15*	79,950,427	-	-	-
Impairment loss on intangible assets other than goodwill	*17*	7,159,086,365	-	-	-
Impairment loss on trade accounts receivable and other receivables		365,631,399	49,178,294	1,953,594	6,150,719
Unrealised gain on exchange		(109,198,593)	(59,462,879)	(125,214,500)	(43,331,879)
Share of loss of associate and joint ventures accounted for using equity method	*10*	226,474,305	63,415,210	-	-
Loss on disposal and write-off of investment properties		4,795,198	-	-	-
Loss on disposal and write-off of property, plant and equipment		192,528,585	139,295,729	67,941,574	126,454,907
Gain on disposal and write-off of right-of-use assets		(147,266,512)	(163,646,378)	(123,610,949)	(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 financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Loss (gain) on write-off of intangible assets other than goodwill		19,093,327	(866,887)	19,090,382	29,227
Differences on a granted rent concession		(577,695,910)	33,423,507	(577,695,910)	33,423,507
Share of other comprehensive income of investments accounted for using equity method	*10*	(345,243,405)	-	-	-
Gain on step acquisition	*4*	(6,714,300,702)	-	-	-
		50,951,340,761	48,875,905,099	25,830,275,723	30,394,795,874
Changes in operating assets and liabilities					
Trade accounts receivable		(901,120,426)	19,755,740	90,032,857	(135,635,472)
Other receivables		(2,696,146,082)	624,256,385	(1,499,511,250)	119,921,007
Inventories		(6,299,338,420)	(324,450,123)	(1,209,174,395)	(477,561,322)
Derivatives assets		(102,810,823)	(513,478)	(77,188,831)	-
Other current assets		(226,524,934)	77,504,361	(6,092,784)	89,312,667
Other non-current assets		648,722,968	(188,107,194)	193,887,595	(52,844,075)
Trade accounts payable		11,796,367,116	(5,770,446,931)	2,208,637,525	(4,839,130,562)
Other payables		(3,232,022,455)	(408,888,103)	(1,694,778,804)	(2,312,293,727)
Contract liabilities		(141,993,604)	163,632,790	-	-
Derivatives liabilities		(22,316,128)	886,245	68,984,035	-
Other current liabilities		373,771,043	(48,636,552)	54,338,851	2,930,031
Provisions for employee benefits paid	*21*	(160,697,173)	(127,100,290)	(50,873,273)	(60,060,642)
Transferred in of provisions for employee benefits	*21*	5,250,133	898,000	4,008,420	599,710
Other non-current provisions		332,045,132	76,395,679	-	-
Rental deposits from tenants		(175,822,104)	31,683,010	-	-
Accrued guarantee deposits		156,513,052	(292,515,390)	(92,038,256)	(236,984,585)
Other non-current liabilities		(104,450,642)	(2,572,277)	180,000,000	-
Net cash generated from operating		50,200,767,414	42,707,686,971	24,000,507,413	22,493,048,904
Income tax paid		(3,881,946,684)	(3,559,342,664)	(663,352,614)	(1,102,964,540)
Net cash from operating activities		**46,318,820,730**	**39,148,344,307**	**23,337,154,799**	**21,390,084,364**

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 financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Cash flows from investing activities					
Interest received		103,300,820	163,033,150	260,090,937	323,054,882
Dividends received		336,633	299,638	7,064,481,560	6,768,016,930
Dividends received from associate	*10*	81,162,222	-	-	-
Acquisition of current investments	*7*	(809,039,471)	(110,000,000)	-	-
Proceeds from sale of current investments	*7*	2,036,554,700	730,928,072	-	-
Cash outflow on short-term loans to subsidiaries	*5*	-	-	(3,799,750,000)	(233,000,000)
Proceeds from repayment of short-term loans to subsidiaries	*5*	-	-	1,770,000,000	849,500,000
Cash outflow on investments in subsidiaries	*11*	-	-	(1,182,830,020)	(1,482,964,969)
Proceeds from sale of investments in subsidiaries	*11*	-	-	988,000,000	-
Cash outflow on investment in associate	*10*	-	(80,936,378,427)	-	(80,936,378,427)
Proceeds from sale of investments in related companies		1,014,099,217	-	-	-
Cash outflow on investments in related companies		(362,250,000)	-	(67,500,000)	-
Acquisition of investment properties		(65,825,162)	-	-	-
Proceeds from sale of investment properties		222,796	-	-	-
Acquisition of property, plant and equipment		(14,071,553,335)	(15,387,288,294)	(8,526,763,356)	(11,768,949,845)
Proceeds from sale of property, plant and equipment		263,450,634	124,774,445	137,799,914	81,144,629
Acquisition of right-of-use assets		(1,341,208,768)	(981,966,880)	(839,749,496)	(787,396,460)
Proceeds from sale of right-of-use assets		8,079,851	11,678,340	8,079,851	11,678,340
Acquisition of intangible assets other than goodwill		(2,278,332,314)	(1,019,581,858)	(681,586,415)	(592,038,416)
Proceeds from sale of intangible assets other than goodwill		159,122,137	-	158,320,151	-
Cash inflow on entire business transfer		13,165,259,377	-	-	-
Net cash used in investing activities		**(2,096,620,663)**	**(97,404,501,814)**	**(4,711,406,874)**	**(87,767,333,336)**

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 financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Cash flows from financing activities					
Proceeds from issue of ordinary shares of the subsidiary		33,006,631,348	-	-	-
Interest paid		(8,616,802,578)	(6,940,880,759)	(8,213,841,279)	(6,620,422,207)
Interest paid on perpetual subordinated debentures	*24*	(1,000,000,000)	(1,002,739,727)	(1,000,000,000)	(1,002,739,727)
Dividends paid to equity holders of the Company	*33*	(8,084,778,526)	(11,228,970,516)	(8,084,778,526)	(11,228,970,516)
Dividends paid to non-controlling interests		(332,105,588)	(318,820,902)	-	-
Payment of lease liabilities	*18*	(9,853,735,115)	(8,525,569,966)	(7,745,303,824)	(7,316,678,298)
Increases (decreases) in short-term borrowings from financial institutions	*18*	13,272,275,699	(2,279,128,843)	13,428,442,000	(2,500,000,000)
Proceeds from short-term borrowings from subsidiary	*5*	-	-	1,400,000,000	300,000,000
Repayment of short-term borrowings from subsidiary	*5*	-	-	-	(1,000,000,000)
Repayment of short-term borrowings from other parties	*18*	(6,007,420)	(8,762,236)	-	-
Cash outflow on forward exchange contracts		(1,696,225,638)	-	(1,696,225,638)	-
Proceeds from issue of debentures	*18*	87,822,880,000	32,467,500,000	87,822,880,000	32,467,500,000
Repayment of debentures	*18*	(18,502,100,000)	(12,289,800,000)	(18,502,100,000)	(12,289,800,000)
Proceeds from long-term borrowings from financial institutions	*18*	5,000,000,000	79,244,880,351	-	79,244,383,449
Repayment of long-term borrowings from financial institutions	*18*	(89,187,803,367)	(255,785,125)	(83,852,175,954)	-
Payment of front-end fees		(5,508,147)	-	-	-
Proceeds from issue of perpetual subordinated debentures	*24*	9,955,000,000	-	9,955,000,000	-
Repayment of perpetual subordinated debentures	*24*	(10,000,000,000)	-	(10,000,000,000)	-
Proceeds from called for paid-up share capital from subsidiaries		2,797,012	110,223,120	-	-
Proceeds from (payment of) changes in ownership interests in subsidiaries without a change in control	*12*	5,735,628,000	(12,661,600)	5,742,000,000	-
Net cash from (used in) financing activities		**7,510,145,680**	**68,959,483,797**	**(20,746,103,221)**	**70,053,272,701**

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

Statement of cash flows (continued)

CP ALL Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements For the year ended 31 December 2021	2020	Separate financial statements For the year ended 31 December 2021	2020
		(in Baht)			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		51,732,345,747	10,703,326,290	(2,120,355,296)	3,676,023,729
Effect of exchange rate changes on cash and cash equivalents		26,440,032	25,242,214	-	6,237,019
Net increase (decrease) in cash and cash equivalents		**51,758,785,779**	**10,728,568,504**	**(2,120,355,296)**	**3,682,260,748**
Cash and cash equivalents at 1 January		40,589,081,046	29,860,512,542	21,577,546,296	17,895,285,548
Cash and cash equivalents at 31 December	6	**92,347,866,825**	**40,589,081,046**	**19,457,191,000**	**21,577,546,296**
Supplemental disclosures of cash flows information:					
Investment properties purchased during the year are detailed as follows:					
Increases during the year	13	65,825,162	-	-	-
Paid by cash		**65,825,162**	-	-	-
Property, plant and equipment purchased during the year are detailed as follows:					
Increases during the year	14	20,187,043,449	15,273,384,909	9,107,114,337	10,935,369,154
(Less) add - changes in payables		(6,093,648,037)	113,903,385	(558,508,904)	833,580,691
(Less) - changes in other current assets	38	(21,842,077)	-	(21,842,077)	-
Paid by cash		**14,071,553,335**	**15,387,288,294**	**8,526,763,356**	**11,768,949,845**
Right-of-use assets acquired during the year are detailed as follows:					
Increases during the year	15	10,804,087,392	13,892,491,849	8,873,396,015	12,624,392,622
Less - lease liabilities		(9,462,878,624)	(12,914,367,061)	(8,033,646,519)	(11,836,996,161)
Add - changes in payables		-	3,842,092	-	-
Paid by cash		**1,341,208,768**	**981,966,880**	**839,749,496**	**787,396,461**
Other intangible assets other than goodwill purchased during the year are detailed as follows:					
Increases during the year	17	2,287,217,917	1,008,800,894	843,625,007	573,383,094
(Less) add - changes in payables		(8,885,603)	10,780,964	(162,038,592)	18,655,322
Paid by cash		**2,278,332,314**	**1,019,581,858**	**681,586,415**	**592,038,416**

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 24 February 2022.

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, retail business and mall rental, 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 2021 was 13,134 stores *(2020: 12,432 stores)*.

	2021	2020
	(number of stores)	
The Company owns and manages convenience stores	6,280	5,685
The Company franchises the license to other retailers		
- under management agreements	6,020	5,919
- under sub-license agreements	834	828
Total	**13,134**	**12,432**

Details of the Company's subsidiaries as at 31 December 2021 and 2020 are given in note 11 to the financial statements.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company's functional currency. The accounting policies described in note 3 to the financial statements have been applied consistently to all periods presented in these financial statements.

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

3 Significant accounting policies

(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 and joint ventures.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net 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 value of 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.

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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Subsidiaries

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

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as transactions in shareholders' equity.

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.

Associate and joint ventures

Associate is the entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in the associate and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control 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 and joint ventures 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 the separate financial statements of the Company are measured at cost less accumulated allowance for impairment losses.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities measured at cost 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 fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences arising on translation 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 including goodwill and fair value adjustments arising on the acquisition of foreign entities are translated to Thai Baht at the exchange rates at the reporting date.

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 translation reserve in equity until disposal of the investment, except to the 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 Group disposes of only part of associate or joint ventures while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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 translation reserve in equity until disposal of the investment.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade and other accounts receivable (see note 3(f) to the financial statements) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue securities, except for financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL"), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit losses, and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income ("OCI") and are never reclassified to profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive 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.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. 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 3(d.4) to the financial statements).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

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 cash flow hedges reserve. 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 recognised in a cash flow hedges 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 cash flow hedges 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 cash flow hedges 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 cash flow hedges 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 cash flow hedges reserve are immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade and other accounts receivable

The Group recognises allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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 recognises ECLs for low credit risk financial assets as 12-month ECLs.

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 credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security; or
- the financial asset is more than 90 days past due

(d.6) 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.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

(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 which has a maturity of three months or less from the date of acquisition.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Group estimates lifetime expected credit losses ("ECLs"), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

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

Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories 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.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and includes the cost of self-constructed assets.

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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of investment properties of 22 years to 99 years or according to lease term and recognised in profit or loss. No depreciation charged on freehold land under investment properties.

(i) Property, plant and equipment

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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 when 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 on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings and building improvements	3 - 50 years
Right-of-use asset improvements	over the lease period
Machinery and equipment	3 - 15 years
Furniture, fixtures and office equipment	1 - 15 years
Others	
- Electricity and water systems	5 - 20 years
- Vehicles	4 - 10 years
- Library book	5 years

(j) Goodwill

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.

(k) Intangible assets

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

Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortisation is provided on computer software under development.

The estimated useful lives are as follows:

Computer software	1 - 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

(l) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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 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 prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the 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 all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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 lease modification, or a change in options specified in the lease. 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, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises lease payments received under operating leases in profit or loss 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

The Group estimates lifetime expected credit losses ("ECLs"), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(f) to the financial statements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(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 in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount 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 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 the Group's provident funds 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. The defined benefit obligations is discounted to the present value, which 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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.

(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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as many as possible. 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: inputs for the asset or liability that are based on unobservable input.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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

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

(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 on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned. Revenue for rendering of services is recognised over time as the 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Customer loyalty programmes

For customer loyalty programme that the Group offers to customers, the consideration received are allocated based on the relative stand-alone selling price of the products and, the loyalty 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 is recognised in profit or loss on a accrual basis.

(u) Income tax

Income tax expense for the year comprises current and deferred tax, which is 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 recognised in respect of 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 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 and joint ventures 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(w) Related parties

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

(x) Segment reporting

Segment results that are reported to the chairman of the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Business combination by entire business transfer

C.P. Retail Holding Company Limited ("CPRH") and C.P. Retail Development Company Limited ("CPRD" or "Lotus's Group") were incorporated in Thailand for the purpose of investing in retail business in Thailand and Malaysia.

CPRH's major shareholders are CP ALL Public Company Limited (the "Company"), Charoen Pokphand Holdings Company Limited ("CPH") and C.P. Merchandising Company Limited ("CPM"), which holds 40%, 40% and 20% of CPRH's ordinary shares, respectively. CPRH holds 99.99% of CPRD's ordinary shares.

At the Company's Extraordinary General Meeting of Shareholders held on 12 October 2021, the Company's shareholders approved a local subsidiary (Siam Makro Public Company Limited) to accept the transfer of the entire business ("EBT Transaction") of CPRH to reinforce the business and support the Group's long-term strategies to become the leader in the retail and wholesale businesses and to expand the coverage of their business operations to be at a regional level, pursuant to which the subsidiary will accept the EBT Transaction of CPRH, including all assets, debts, rights, obligations and liabilities of CPRH existing at present and in the future as at the entire business transfer date.

The EBT Transaction of CPRH was completed on 25 October 2021 ("the acquisition date"). As part of the EBT Transaction, all assets and liabilities of CPRH were transferred to the subsidiary. CPRH's main assets and liabilities included cash and cash equivalents, accrued expenses and 99.99% of CPRD's ordinary shares. CPRD holds (a) 99.99% of Lotus's Stores (Thailand) Co., Ltd.'s ordinary share which holds 99.99% of Ek-Chai Distribution System Co., Ltd.'s ordinary share, an operator of a retail business under the name Lotus's in Thailand; and (b) 100.00% of Lotuss Stores (Malaysia) Sdn. Bhd.'s ordinary share which operates a retail business under the name Lotus's in Malaysia. The business of Lotus's Group is divided into two main groups which are the retail business and the business of leasing space in shopping malls. Lotus's Group is a leading operator in the retail business of groceries and consumer products with multi-store formats comprising hypermarkets, supermarkets and mini-supermarkets, and operates the business of leasing space in shopping malls in Thailand and Malaysia.

Under the EBT Transaction, the subisdiary issued and allocated 5,010,323,500 new ordinary shares with a par value of Baht 0.50 per share at the offering price of Baht 43.50 per share, totaling Baht 217,949,072,250 as the consideration of the EBT Transaction from CPRH as payment in kind through the private placement offering.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Upon the completion of the EBT Transaction, CPRH proceeded with dissolution and completed liquidation within the same fiscal year in order to be in accordance with the rules, procedures and conditions stipulated under the Revenue Department for the purpose of tax exemption for such transaction, as well as, allocated the issued ordinary shares of the subsidiary to the existing shareholders of CPRH i.e. (a) the Company, (b) CPH and (c) CPM, in proportion to their respective shareholding. CPRH allocated the issued ordinary shares of the subsidiary to the Company in the amount of 2,004,129,400 shares, totaling Baht 85,635 million, reducing the subsidiary's ownership interest from 93.08% to 65.97% whilst retaining control over the subsidiary as a result of the issuance and allocation of new ordinary shares of the subsidiary. The Group recognised an increase in non-controlling interests of Baht 135,066 million and surplus from changes in ownership interest in subsidiary of Baht 3,219 million.

As the EBT Transaction of CPRH in which the Company holds 40% part, the subsidiary accounts for business restructuring and acquisition of interests under common control. As a result, they have been accounted for using a method similar to pooling of interests method, to reflect the economic substances of the subsidiary in the Group which were under common control throughout the related period for the benefit of comparison, although the legal form of the relationship of the subsidiary and the CPRH was effective subsequently.

As the EBT Transaction of CPRH for the remaining 60% part, the subsidiary accounts for business combination achieved in stages ("step acquisition") pursuant to the provisions of Thai Financing Reporting Standards No. 3, *Business Combinations*, which requires, among other things, that the previously held equity interests in CPRH be remeasured to fair value at the date of business combination with any resulting gain or loss recognised in profit or loss and identifiable assets acquired and liabilities assumed in a business combination be recognised at their fair values as of the acquisition date.

The gain recognised as a result of remeasuring to fair value of the previously held equity interests is determined as follows:

	Consolidated financial statements *(in million Baht)*
Fair value of previously held equity interests	92,190
Carrying amount of previously held equity interests	85,476
Gain recognised as a result of remeasuring to fair value of the previously held equity interests	**6,714**

The Group engaged independent valuers to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of fair value at the date of business combination. At the report date, the independent valuers are still in the process of appraising the fair value of those; and the fair value appraisal has not yet been completed.

For the preparation of the financial statements for the year ended 31 December 2021, the Group has provisionally estimated the fair values of the identifiable assets acquired and liabilities assumed from the business combination by considering information in the latest draft appraisal report obtained from the independent valuers and recorded the difference between the consideration transferred and values of the assets and liabilities in the account "Goodwill" amounting to Baht 232,545 million.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The principal factors that contributed to goodwill are that Lotus's Group is one of the leading player in retail market that is trusted by customers for their daily purchase with nationwide store network providing them with convenience regardless of their location with ability to operate retail business, experienced human resources in retail business, ability to generate revenue from various store formats and from store space management and innovation, ability to further expand business to neighbouring countries, capability of management, staff and technology that will help to accelerate overseas expansion as well as business sustainability. The overall components of Lotus's Group will contribute to the Group's capability to fulfill its Mission "To become the number 1 B2B and B2C retailer in Asia, combining both online and offline, by fulfilling our customers' daily needs with technology, innovation and operational excellence; together with people and partners in a sustainable way". Goodwill from the business combination will not qualify for any tax deduction.

Identifiable assets acquired and liabilities assumed

	Fair values *(in million Baht)*
CPRH	
Cash and cash equivalents	4
Other payables	(2)
CPRD	
Cash and cash equivalents	13,161
Current investments	5,975
Trade accounts receivable	1,284
Other current receivables	2,979
Inventories	14,478
Derivatives assets	583
Investment in associate	9,174
Investments in joint ventures	4,774
Investment properties	51,017
Property, plant and equipment	77,943
Right-of-use assets	26,028
Intangible assets other than goodwill	5,221
Deferred tax assets	2,157
Other non-current assets	1,054
Short-term borrowings from financial institutions	(28,220)
Trade accounts payable	(22,479)
Other payables	(13,427)
Current portion of lease liabilities	(1,907)
Income tax payable	(496)
Derivatives liabilities	(809)
Long-term borrowings from financial institutions	(100,093)
Lease liabilities	(36,982)
Provisions for employee benefits	(1,487)
Other non-current provisions	(2,166)
Rental deposits from tenants	(2,620)
Deferred tax liabilities	(6,447)
Other non-current liabilities	(767)
Total identifiable net assets received	**(2,070)**
Goodwill	232,545
Consideration transferred	**230,475**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the date of business combination about facts and circumstances that existed at the date of business combination identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the date of business combination, then the business combination accounting will be revised.

Business combination-related costs

The Group had business combination-related costs, totaling Baht 197 million, which were recorded in the administrative expenses account in the consolidated statement of income for the year ended 31 December 2021.

Operations of new subsidiaries after business combination

In the preparation of the consolidated statement of income for the year ended 31 December 2021, the Group included the operation results of new subsidiaries for the period from 25 October 2021 to 31 December 2021. Significant details are as follows:

	For the period from 25 October 2021 to 31 December 2021 *(in million Baht)*
Total revenues	40,197
Profit for the period attributable to equity holders of the Company	238

If the business combination had occurred on 1 January 2021, management estimates that consolidated total revenues of the Group would have increased by Baht 166,390 million and consolidated profit attributable to equity holders would have increased by Baht 691 million. In determining these amounts, management has assumed that the fair value adjustments, including finance costs related transactions, determined provisionally, that arose on the date of business combination would have been the same if the business combination had occurred on 1 January 2021.

5 Related parties

Relationships with associate, joint ventures 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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Country of incorporation/ nationality	Nature of relationships
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
CP Land Public Company Limited	Thailand	Company under CPG Group and 2 common directors
SM True Co., Ltd.	Thailand	Company under CPG Group and 2 common directors
C.P. Consumer Products Co., Ltd.	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
CPF IT Center Co., Ltd.	Thailand	Company under CPG Group and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group and 1 common director
Pokphand Enterprise 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
Wire & Wireless Co., Ltd.	Thailand	Company under CPG Group and four of family member of the Company's director are major shareholders
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
Chonburi Transportation Company Limited	Thailand	Company under CPG Group
CP B&F (Thailand) Company Limited	Thailand	Company under CPG Group
CP Sales & Service Company Limited	Thailand	Company under CPG Group

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Country of incorporation/ nationality	Nature of relationships
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
Pk Agro-industrial Product (MALAYSIA) Sdn. Bhd.	Malaysia	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 GS Co., Ltd.	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group
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
Chef Cares Project Co., Ltd.	Thailand	One of family member of Chearavanont family is major shareholders
Key management personnel	Thai/ Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director 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
Interest income	Source of fund costs plus capital management expenses
Purchase of goods and services	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rental and service fees	Rates advised by the lessors and service providers
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 with related parties for the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	5,053	1,603
Interest income	-	-	237	275
Dividend income	-	-	7,064	6,768
Other income	-	-	2,115	1,666
Distribution costs	-	-	1,649	1,742
Administrative expenses	-	-	4,918	3,037
Finance costs	-	-	21	26
Purchases of goods and services	-	-	25,417	26,098
Purchases of property, plant and equipment and intangible assets other than goodwill	-	-	2,785	3,764
Associate				
Revenue from sale of goods and rendering of services	104	-	-	-
Dividend income	81	-	-	-
Other income	1	-	-	-
Distribution costs	116	-	-	-
Administrative expenses	2	-	1	-
Finance costs	32	-	-	-
Purchases of goods and services	38	-	-	-
Joint ventures				
Revenue from sale of goods and rendering of services	10	-	-	-
Other income	9	-	-	-
Distribution costs	24	-	-	-
Administrative expenses	1	-	-	-
Purchases of goods and services	1	-	-	-
Other related companies				
Revenue from sale of goods and rendering of services	2,557	1,804	416	430
Gain from sale of investment in subsidiary	1,317	-	1,440	-
Other income	1,160	1,703	1,104	1,668
Distribution costs	360	193	-	-
Administrative expenses	1,460	1,151	1,151	845
Finance costs	8	8	-	-
Purchases of goods and services	51,601	66,034	29,826	46,990
Purchases of property, plant and equipment and intangible assets other than goodwill	173	23	139	-

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Significant transactions with related parties for the year ended 31 December (Continued)	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	759	729	494	486
Severance pay for employees	10	11	2	3
Total key management benefit expenses	**769**	**740**	**496**	**489**

Balances as at 31 December 2021 and 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Trade accounts receivable				
Associate	12	-	-	-
Joint ventures	2	-	-	-
Other related companies	631	237	-	-
Total	**645**	**237**	**-**	**-**
Less allowance for expected credit loss	-	-	-	-
Net	**645**	**237**	**-**	**-**
Expected credit losses for the year	**-**	**-**	**-**	**-**
Other current receivables				
Subsidiaries	-	-	2,295	1,312
Associate	26	-	-	-
Joint ventures	21	-	-	-
Other related companies	2,278	478	2,154	369
Total	**2,325**	**478**	**4,449**	**1,681**
Less allowance for expected credit loss	-	-	-	-
Net	**2,325**	**478**	**4,449**	**1,681**
Expected credit losses for the year	**-**	**-**	**-**	**-**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Short-term loans to subsidiaries

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Separate financial statements	
	2021	2020
	(in million Baht)	
At 1 January	5,500	6,117
Increases	3,800	233
Decreases	(1,770)	(850)
Unrealised gain on exchange	125	-
Total	**7,655**	**5,500**
Less allowance for expected credit loss	-	-
At 31 December	**7,655**	**5,500**
Interest rate at 31 December *(% per annum)*	**1.50 - 3.00**	**4.75**
Expected credit losses for the year	**-**	**-**

As at 31 December 2021 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Investments in related companies				
True GS Co., Ltd.	199	34	199	34
ALL Now Management Co., Ltd.	494	-	260	-
EGG Digital Co., Ltd.	128	-	67	-
Total	**821**	**34**	**526**	**34**
Other non-current assets				
Subsidiaries	-	-	3	207
Other related companies	2	10	-	-
Total	**2**	**10**	**3**	**207**
Trade accounts payable				
Subsidiaries	-	-	2,505	2,628
Joint ventures	20	-	-	-
Other related companies	9,491	6,406	3,524	3,545
Total	**9,511**	**6,406**	**6,029**	**6,173**
Other payables				
Subsidiaries	-	-	7,131	8,066
Other related companies	775	247	134	36
Total	**775**	**247**	**7,265**	**8,102**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Short-term borrowings from subsidiary

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Separate financial statements	
	2021	2020
	(in million Baht)	
At 1 January	-	700
Increases	1,400	300
Decreases	-	(1,000)
At 31 December	**1,400**	**-**
Interest rate at 31 December *(% per annum)*	**3.00**	**4.50**

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Lease liabilities				
Associate	6,758	-	-	-
Joint ventures	21	-	-	-
Other related companies	581	271	-	-
Total	**7,360**	**271**	**-**	**-**
Rental deposits from tenants				
Other related companies	7	7	-	-
Total	**7**	**7**	**-**	**-**

Significant agreements with related parties

As at 31 December 2021 the Group had the following significant agreements with related parties:

(a) 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 2022. In consideration thereof, the Company agreed to pay a monthly service fee to the shareholder totaling Baht 1.58 million.

(b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.

(c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.

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 10.7 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 2024.

(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 2022. 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 lease 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 5 years, and will expire on various dates until December 2026.

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 January 2025.

(l) A local subsidiary (Siam Makro Public Company Limited) entered into commitments as guarantor under new facilities agreement of, a local subsidiary, C.P. Retail Development Company Limited due to the refinancing transaction with financial institutions covering the borrowing amounting to Baht 9,500 million and United States Dollars 570 million.

(m) A local indirect subsidiary (EK-Chai Distribution System Co., Ltd.) and a foreign indirect subsidiary (Lotuss Stores (Malaysia) Sdn. Bhd.) have service agreements with Charoen Pokphand Group Company Limited, a shareholder of the company ("the party"). Under the terms of these agreements, the subsidiaries obtain the right to use of trademark and services under conditions stipulated in the agreements. In consideration thereof, the subsidiaries are committed to pay to the party fees calculated as a percentage of their sales as stipulated in the agreements. These agreements are effective for a period of 2 years and will expire in December 2023.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Cash on hand	14,891	10,782	9,282	9,093
Cash at financial institutions - current accounts	8,330	6,275	3,713	4,971
Cash at financial institutions - savings accounts	68,712	23,093	6,462	7,514
Highly liquid short-term investments	415	439	-	-
Total	**92,348**	**40,589**	**19,457**	**21,578**

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Cash at financial institutions - time deposits	3,977	37	-	-
Debt instruments for trading	809	-	-	-
Total	**4,786**	**37**	**-**	**-**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
At 1 January		37	659	-	-
Increases		809	110	-	-
Acquisition through business combination	4	5,975	-	-	-
Decreases		(2,036)	(731)	-	-
Exchange differences on translating financial statements		1	(1)	-	-
At 31 December		**4,786**	**37**	**-**	**-**

8 Trade accounts receivable and other current receivables

Trade accounts receivable	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
Related parties					
Within credit terms		467	199	-	-
Overdue:					
Less than 3 months		148	28	-	-
3 - 6 months		16	3	-	-
6 - 12 months		5	4	-	-
Over 12 months		9	3	-	-
Total		**645**	**237**	**-**	**-**
Less allowance for expected credit loss		-	-	-	-
Net	5	**645**	**237**	**-**	**-**
Other parties					
Within credit terms		1,801	1,091	162	252
Overdue:					
Less than 3 months		828	299	-	-
3 - 6 months		160	35	-	-
6 - 12 months		97	39	-	-
Over 12 months		208	38	-	-
Total		**3,094**	**1,502**	**162**	**252**
Less allowance for expected credit loss		(398)	(89)	-	-
Net		**2,696**	**1,413**	**162**	**252**
Grand total		**3,341**	**1,650**	**162**	**252**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Other current receivables	*Note*	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
Related parties					
Within credit terms		2,021	168	4,190	1,486
Overdue:					
Less than 3 months		275	278	184	175
3 - 6 months		17	15	63	20
6 - 12 months		11	3	11	-
Over 12 months		1	14	1	-
Total		**2,325**	**478**	**4,449**	**1,681**
Less allowance for expected credit loss		-	-	-	-
Net	*5*	**2,325**	**478**	**4,449**	**1,681**
Other parties					
Within credit terms		10,332	5,840	3,523	2,766
Overdue:					
Less than 3 months		928	850	800	816
3 - 6 months		105	5	9	2
6 - 12 months		64	12	3	7
Over 12 months		81	29	18	10
Total		**11,510**	**6,736**	**4,353**	**3,601**
Less allowance for expected credit loss		(90)	(36)	(19)	(18)
Net		**11,420**	**6,700**	**4,334**	**3,583**
Grand Total		**13,745**	**7,178**	**8,783**	**5,264**

Allowance for expected credit loss	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
At 1 January	125	79	18	15
Addition	36	64	2	6
Acquisition through business combination	355	-	-	-
Reversal	(67)	(5)	-	-
Write-off	(16)	(12)	(1)	(3)
Exchange differences on translating financial statements	55	(1)	-	-
At 31 December	**488**	**125**	**19**	**18**

Information of credit risk is disclosed in note 34(b.1) to the financial statements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Finished goods	51,623	31,242	16,536	15,327
Work in progress	130	93	-	-
Raw materials	667	614	-	-
Goods in transit	641	335	-	-
Total	**53,061**	**32,284**	**16,536**	**15,327**
Less allowance for losses on decline in value of inventories	(2,526)	(535)	(220)	(220)
Net	**50,535**	**31,749**	**16,316**	**15,107**

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	
	2021	2020	2021	2020
	(in million Baht)			
Cost of inventories	436,257	407,282	210,765	216,923
Allowance for losses on decline in value of inventories	1,991	113	-	54
Total	**438,248**	**407,395**	**210,765**	**216,977**

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 2021 amounted to Baht 2,341 million *(2020: Baht 2,662 million)* in the consolidated financial statements, and Baht 2,331 million *(2020: Baht 2,644 million)* in the separate financial statements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

10 Investments in associate and joint ventures

Movements of investment in associate during the years ended 31 December 2021 and 2020 were as follows:

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
At 1 January		85,552	-	85,635	-
Decrease		(85,476)	-	(85,635)	-
Acquisition through business combination	4	9,174	-	-	-
Increase		-	80,936	-	80,936
Change in ownership interest in associate		(66)	-	-	-
Transferred in from cash flow hedges reserve		-	4,699	-	4,699
Less Share of loss of investment accounted for using equity method		(328)	(64)	-	-
Add (Less) Share of other comprehensive income of investment accounted for using equity method		364	(19)	-	-
Less Dividend income		(81)	-	-	-
At 31 December		**9,139**	**85,552**	**-**	**85,635**

Movement of investments in joint ventures during the years ended 31 December 2021 and 2020 were as follows:

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
At 1 January		-	-	-	-
Acquisition through business combination	4	4,774	-	-	-
Add Share of profit of investment accounted for using equity method		102	-	-	-
At 31 December		**4,876**	**-**	**-**	**-**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Detail of changes in investments in associate and joint ventures during the years ended 31 December 2021 and 2020 were as follow:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Decrease and increase				
Associate				
- C.P. Retail Holding Company Limited	(85,476)	80,936	(85,635)	80,936
Total	**(85,476)**	**80,936**	**(85,635)**	**80,936**
Acquisition through business combination				
Associate				
- Lotus's Retail Growth Freehold and Leasehold Property Fund	9,174	-	-	-
Total	**9,174**	**-**	**-**	**-**
Joint ventures				
- Lotus's Money Services Limited	3,949	-	-	-
- Synergistic Property Development Co., Ltd.	319	-	-	-
- Retail Properties Co., Ltd.	506	-	-	-
Total	**4,774**	**-**	**-**	**-**

Increase and decrease in investment during the year

During the first quarter of 2020, the Company invested in C.P. Retail Holding Company Limited ("CPRH") which is a special purpose vehicle incorporated in Thailand on 6 March 2020 for the purpose of investing in retail business. CPRH had an authorised share capital of Baht 199,480 million 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 (1) Tesco Stores (Thailand) Company Limited (Subsequently known as "Lotus's Stores (Thailand) Co., Ltd.") holding 99.99% of shares in Ek-Chai Distribution System Co., Ltd. which operates retail business under Lotus's brand in Thailand and (2) Tesco Stores (Malaysia) Sdn. Bhd. (Subsequently known as "Lotuss Stores (Malaysia) Sdn. Bhd.") which operates retail business under Lotus's brand in Malaysia (together referred to as the "Lotus's Group"). Lotus's Group was an indirect associate of the Group. The buyer entered into a sale and purchase agreement dated 9 March 2020 with Tesco Holding Limited and Tesco Holdings B.V.. The Lotus's Group indirect investment transaction was completed on 18 December 2020. The purchase price allocation is a judgemental exercise to determine the fair value of identifiable assets acquires and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill.

During 2020, the Company's investment in CPRH was Baht 79,792 million, paid in cash equally to 40% in paid-up share capital, and the investment transaction was completed within the same fiscal year. 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 part of investment in associate. The company's investment in CPRH was totally of Baht 85,635 million as at 31 December 2020.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

During the first quarter of 2021, the buyer acquired preferred shares from non-controlling interests totaling 739,997 shares of Baht 172 million in cash, increasing the buyer's shareholding ratio in Lotus's Stores (Thailand) Co., Ltd. to 99.99% of total issued and paid-up shares. The buyer recognised a decrease in non-controlling interests of Baht 7 million and deficit from change in ownership interest in subsidiary of Baht 165 million. The Group then recognised deficit from change in ownership interest in associate of Baht 66 million.

During the third quarter of 2021, the group completed purchase price allocation in October 2021, resulting in the according of goodwill of Baht 80,372 million which was recorded as a part of investment in associate accounted for using the equity method in the consolidated statement of financial position. However, on 25 October 2021, a local subsidiary (Siam Makro Public Company Limited) completed the transfer of the entire business ("EBT Transaction") of CPRH and CPRH proceeded with dissolution and completed liquidation within the same fiscal year, resulting in no investment in associate as at 31 December 2021. The details of EBT Transaction and other related transactions are disclosed in note 4 to the financial statements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Investments in associate and joint ventures as at 31 December 2021 and 2020, and dividend income for the years then ended were as follows:

						Consolidated financial statements					
Name of parties	Type of business	Ownership interest		Paid-up capital		At cost		Equity		Dividend income for the year	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)				(in million Baht)					
Associate											
C.P. Retail Holding Company Limited*	Holding company	-	40.00	-	199,480	-	85,635	-	85,552	-	-
Indirect associate											
Lotus's Retail Growth Freehold and Leasehold Property Fund	Real estate rental	14.98	-	23,828	-	6,373	-	9,319	-	81	-
Total						**6,373**	**85,635**	**9,319**	**85,552**	**81**	**-**
Indirect joint ventures											
Lotus's Money Services Limited	Credit card services	29.95	-	2,080	-	1,040	-	4,053	-	-	-
Synergistic Property Development Co., Ltd.	Property development	29.95	-	465	-	256	-	319	-	-	-
Retail Properties Co., Ltd.	Mall rental services and related utilities services	29.95	-	210	-	248	-	504	-	-	-
Total						**1,544**	**-**	**4,876**	**-**	**-**	**-**

**The company was liquidated on 25 October 2021.*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

					Separate financial statements							
	Ownership interest		Paid-up capital		At cost		Impairment		At cost - net		Dividend income for the year	
Name of party	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)				(in million Baht)							
Associate												
C.P. Retail Holding Company Limited*	-	40.00	-	199,480	-	85,635	-	-	-	85,635	-	-
Total					**-**	**85,635**	**-**	**-**	**-**	**85,635**	**-**	**-**

All associate and joint ventures were incorporated and operate in Thailand.

Lotus's Retail Growth Freehold and Leasehold Property Fund ("TLGF") was indirect associate in which 25.00% of the total issued and paid-up shares capital were held by a local subsidiary (Siam Makro Public Company Limited), a 59.92% directly and indirectly owned subsidaiary by the Company as at 31 December 2021. Thus, the Group accounted for its investment in TLGF using the equity method based on 14.98% shareholding in the consolidated financial statements. TLGF is listed in the Stock Exchange of Thailand. The fair value of investment as at 31 December 2021 totaled Baht 8,823 million.

**The company was liquidated on 25 October 2021.*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Group has considered that none of associate and joint ventures is regarded as individually material to the Group

Immaterial associate and joint ventures

The following table summarises the financial information of the Group's interests in immaterial associate and joint ventures based on the amounts reported in the Group's consolidated financial statements.

	Immaterial associate		Immaterial joint ventures	
	2021	2020	2021	2020
	(in million Baht)			
Carrying amount of interests in immaterial associate and joint ventures	**9,139**	**85,552**	**4,876**	**-**
Group's share of:				
- (Loss) profit from continuing operations	(328)	(64)	102	-
- Other comprehensive income	364	(19)	-	-
- Total comprehensive income	**36**	**(83)**	**102**	**-**

11 Investments in subsidiaries

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
At 1 January	-	-	201,010	199,527
Increases	-	-	86,818	1,483
Decreases	-	-	(6,471)	-
At 31 December	**-**	**-**	**281,357**	**201,010**

Details of the net increases and decreases in investments in subsidiaries during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Siam Makro Public Company Limited	-	-	80,164	-
Albuera International Limited	-	-	185	125
ALL Now Management Co., Ltd.	-	-	(2)	-
All Corporation Limited	-	-	-	200
ALL Wellness Co., Ltd.	-	-	-	175
Lotus Distribution Investment Limited	-	-	-	983
Total	**-**	**-**	**80,347**	**1,483**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Siam Makro Public Company Limited

Change in interest in a subsidiary without a change of control

According to the entire business transfer transaction on 25 October 2021 as disclosed in note 4 to the financial statements, a local subsidiary (Siam Makro Public Company Limited) issued and allocated new ordinary shares to the Company. The carrying amount of previously held equity interests was Baht 85,635 million, reducing its direct and indirect ownership interest from 93.08% to 65.97% whilst retaining control over the subsidiary. The group recognised an increase in non-controlling interests of Baht 135,066 million and surplus from changes in ownership interest in subsidiary of Baht 3,219 million.

On 22 December 2021, the Company had partial disposal 1.34% of total issued and paid-up ordinary shares of the subsidiary at the price of Baht 43.50 per share, totaling Baht 5,742 million in cash, reducing its direct and indirect ownership interest from 65.97% to 64.63% whilst retaining control over the subsidiary. The group recognised an increase in non-controlling interests of Baht 5,904 million and deficit from changes in ownership interest in subsidiary of Baht 412 million, net of disposal cost of Baht 217 million and income tax expense of Baht 32 million. The Company had the gain on sale of investment in the separate financial statements of totaling Baht 271 million.

On 24 December 2021, the subsidiary increased its authorised share capital of 770 million shares with a par value of Baht 0.50 each at the offering price of Baht 43.50 per share, totaling Baht 33,495 million for public offering. The registration of the increased authorised share capital with the Ministry of Commerce and the additional paid-up share capital were completed in December 2021, reducing its direct and indirect ownership interest from 64.63% to 59.92% whilst retaining control over the subsidiary. The group recognised an increase in non-controlling interests of Baht 34,062 million and deficit from change in ownership interest in subsidiary of Baht 1,056 million.

Albuera International Limited

Additional investment

During the first quarter of 2021, a foreign subsidiary (Albuera International Limited) collected from the called for additional paid-up share capital of United States Dollars 6 million; from United States Dollar 4 million to United States Dollars 10 million.

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 Now Management Co., Ltd. ("ANM")

Loss in control over a subsidiary

During the fourth quarter of 2021, ANM increased its authorised share capital and collected from the called for additional paid-up share capital of Baht 998 million; from Baht 2 million to Baht 1,000 million and the Company had partial disposal 90% of total issued and paid-up shares of ANM of 90 million shares at the price of Baht 26 per share, totaling Baht 2,340 million to related companies; Chonburi Transportation Company Limited (52%), CPF Trading Co., Ltd. (19%), Telecom Holding Co., Ltd. (10%), and Ek-Chai Distribution System Co., Ltd. (9%), as a result, ANM changed its status from a subsidiary to a related company of the Company. The Group lost control over ANM, which remained 10% of total issued and paid-up share capital as "investment in related company" measured at fair value through other comprehensive income.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The carrying amount of equity interest in ANM in the Group's consolidated financial statements and in the separate financial statements on the date of transaction was Baht 1,023 million and Baht 900 million, respectively. In this regard, the fair value of the Group's retained interest in ANM was Baht 2,340 million based on the independent appraisal report. The Group recognised a gain on loss of control in a subsidiary from derecognition the assets and liabilities of totaling Baht 1,317 million and gain from sale of investment in subsidiary in the separate financial statements of totaling Baht 1,440 million.

All Corporation Limited

Additional investment

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.

Disposal of investment

During the third quarter of 2021, a local direct subsidiary (All Corporation Limited) disposed 99.99% of total issued and painetd-up ordinary shares of a local indirect subsidiary (ALL NOW LOGISTICS CO., LTD.) for 99,997 shares at the price of Baht 261 per share, totaling Baht 26.10 million to a local direct subsidiary (ALL Now Management Co., Ltd.).

ALL Wellness Co., Ltd.

Additional investment

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

Additional investment

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Investments in subsidiaries as at 31 December 2021 and 2020, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of operation	Separate financial statements							
			Ownership interests		Paid-up capital		At cost		Dividend income for the year	
			2021	2020	2021	2020	2021	2020	2021	2020
			(%)		(in million Baht)					
Local direct subsidiaries										
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	159	120
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	Bill payment services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	100	100	91	91	1,089	1,100
All Corporation Limited	Holding company	Thailand	99.99	99.99	250	250	250	250	-	-
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	540	405
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	400	300
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	130	246

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statement *(Continued)*

Name of parties	Type of business	Country of operation	Ownership interests 2021	Ownership interests 2020	Paid-up capital 2021	Paid-up capital 2020	At cost 2021	At cost 2020	Dividend income for the year 2021	Dividend income for the year 2020
			(%)		*(in million Baht)*					
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	1,345	1,299
ALL Now Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	-	99.99	-	2	-	2	130	100
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	100	150
ALL Wellness Co., Ltd.	Digital innovation healthcare services and consultation by medical specialists	Thailand	99.99	99.99	176	176	176	176	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	20	15
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	30	30
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	99.99	99.99	1,600	1,600	1,939	1,939	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	1,293	1,248
Siam Makro Public Company Limited	Cash and carry	Thailand	34.97	38.07	5,290	2,400	153,367	73,203	1,828	1,755
Total							**270,550**	**190,388**	**7,064**	**6,768**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements *(Continued)*

Name of parties	Type of business	Country of operation	Ownership interests		Paid-up capital		At cost		Dividend income for the year	
			2021	2020	2021	2020	2021	2020	2021	2020
			(%)		*(in million United States Dollars)*		*(in million Baht)*			
Foreign direct subsidiaries										
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	310	310	10,497	10,497	-	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	10	4	310	125	-	-
Total							**10,807**	**10,622**	**-**	**-**
Grand total							**281,357**	**201,010**	**7,064**	**6,768**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Details of the Company's indirect subsidiaries as at 31 December 2021 and 2020 were as follows:

Name of parties	Type of business	Country of operation	Ownership interests 2021	Ownership interests 2020
			(%)	
Local indirect subsidiaries				
- Investment through ALL Now Management Co., Ltd.				
ALL NOW LOGISTICS CO., LTD.	Parcel and express delivery services	Thailand	-	99.99
- Investment through All Corporation Limited				
CP Foodlab Co., Ltd.	Research and development service, and microbiologic and scientific laboratory services	Thailand	99.99	99.99
ALL GUARDIAN CO., LTD.	Health and beauty products retailer	Thailand	64.99	64.99
- Investment through Suksapiwat Co., Ltd.				
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
- Investment through Siam Makro Public Company Limited				
Makro ROH Co., Ltd.	Providing technical and supporting services to the Group	Thailand	59.91	93.07
ProMart Co., Ltd.	Trading of non-food products	Thailand	59.91	93.07

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests 2021	2020
			(%)	
Local indirect subsidiaries (continued)				
- Investment through Siam Makro Public Company Limited (continued)				
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and Providing freight, delivery rental and storage services	Thailand	59.91	93.07
C.P. Retail Development Company Limited	Retail business and mall rental	Thailand	59.91	-
Lotus's Stores (Thailand) Co., Ltd.	Retail business	Thailand	59.90	-
Ek-Chai Distribution System Co., Ltd.	Retail business and related business	Thailand	59.90	-
Lotus's Mobile (Thailand) Co., Ltd.	Telecommunication business	Thailand	59.89	-
- Investment through OHT Co., Ltd.				
Siam Makro Holding (Thailand) Limited	Holding company	Thailand	50.99	50.99
Siam Makro Public Company Limited	Cash and carry	Thailand	24.95	55.01
Foreign indirect subsidiaries				
- Investment through Albuera International Limited				
CP ALL (CAMBODIA) CO., LTD.	Convenience stores	Cambodia	100.00	100.00
CP ALL LAOS COMPANY LIMITED	Convenience stores	Laos	99.99	99.99
- Investment through Lotus Distribution Investment Limited				
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

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests 2021	Ownership interests 2020
			(%)	
Foreign indirect subsidiaries (continued)				
- Investment through Lotus Distribution Investment Limited (continued)				
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
- Investment through All Corporation Limited				
ALL CONVENIENCE LOGISTIC CO., LTD.	Logistics and distribution of merchandises services	Cambodia	99.99	99.99
- Investment through Siam Makro Public Company Limited				
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	59.92	93.08
ARO Commercial Company Limited	Wholesale and retail operator and related business	Republic of the Union of Myanmar	59.91	93.07
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	59.91	93.07
Indoguna (Cambodia) Company Limited*	Importing and trading of food related products	Cambodia	59.91	93.07
CP Wholesale India Private Limited	Wholesale and related business	India	59.90	93.06
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related business	The People's Republic of China	59.90	93.06

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Name of parties	Type of business	Country of operation	Ownership interests 2021	Ownership interests 2020
			(%)	
Foreign indirect subsidiaries (continued)				
- Investment through Siam Makro Public Company Limited (continued)				
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related business	The People's Republic of China	59.90	93.06
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	47.93	74.46
Indoguna Dubai L.L.C**	Importing and trading of food related products	United Arab Emirates	47.93	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	47.93	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	47.93	74.46
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C**	Restaurant and minimart	United Arab Emirates	47.93	74.46
Makro (Cambodia) Company Limited	Wholesale and retail operator and related business	Cambodia	41.94	65.15
Lotuss Stores (Malaysia) Sdn. Bhd.	Retail business and related business	Malaysia	59.91	-

** 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 47.93% after taking account of nominee holdings. (2020: 74.46%)*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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 2021		
	Siam Makro Public Company Limited	ALL GUARDIAN CO., LTD.	**Total**
		(in million Baht)	
Non-controlling interests percentages	40.08	35.01	
Current assets	110,000	254	
Non-current assets	459,490	17	
Current liabilities	(118,211)	(67)	
Non-current liabilities	(162,781)	(1)	
Net assets	**288,498**	**203**	
Carrying amount of non-controlling interests	188,602*	71	**188,673**
Revenue	273,149	163	
Profit (loss)	13,673	(97)	
Other comprehensive income	145	-	
Total comprehensive income (loss)	**13,818**	**(97)**	
Loss allocated to non-controlling interests	(899)*	(34)	**(933)**
Other comprehensive income allocated to non-controlling interests	67*	-	**67**
Cash flows from operating activities	16,774	(184)	
Cash flows from investing activities	10,991	(16)	
Cash flows from financing activities	26,787	-	
Dividends paid to non-controlling interests	(332)	-	
Exchange differences on translating financial statements	(149)	-	
Net increase (decrease) in cash and cash equivalents	**54,071**	**(200)**	

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.	**Total**
		(in million Baht)	
Non-controlling interests percentages	6.92	35.01	
Current assets	28,251	412	
Non-current assets	45,783	-	
Current liabilities	(40,447)	(112)	
Non-current liabilities	(10,877)	-	
Net assets	**22,710**	**300**	
Carrying amount of non-controlling interests	14,731*	105	**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	400*	-	**400**
Other comprehensive income allocated to non-controlling interests	1*	-	**1**
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**	

** 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 Investment properties

		Consolidated financial statements			
	Note	Land	Buildings	Right-of-use assets	Total
			(in million Baht)		
Cost					
At 1 January 2020		348	-	-	348
At 31 December 2020 and 1 January 2021		**348**	**-**	**-**	**348**
Additions		10	56	-	66
Acquisition through business combination	*4*	16,812	25,955	8,250	51,017
Reclassification		(1,535)	(3,937)	-	(5,472)
Disposals and write-off		-	(23)	(1)	(24)
Lease modification		-	-	330	330
Exchange differences on translating financial statements		(14)	(11)	(4)	(29)
At 31 December 2021		**15,621**	**22,040**	**8,575**	**46,236**
Accumulated depreciation and accumulated impairment losses					
At 1 January 2020		(15)	-	-	(15)
At 31 December 2020 and 1 January 2021		**(15)**	**-**	**-**	**(15)**
Depreciation charge for the year		(7)	(654)	(88)	(749)
Reversal of impairment losses		-	1	-	1
Disposals and write-off		-	18	1	19
Exchange differences on translating financial statements		(1)	(2)	-	(3)
At 31 December 2021		**(23)**	**(637)**	**(87)**	**(747)**
Net book value					
At 1 January 2020		**333**	**-**	**-**	**333**
At 31 December 2020 and 1 January 2021		**333**	**-**	**-**	**333**
At 31 December 2021		**15,598**	**21,403**	**8,488**	**45,489**

The gross amount of the Group's fully depreciated investment properties that were still in use as at 31 December 2021 amounted to Baht 1,184 million in the consolidated financial statements.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

14 Property, plant and equipment

		Consolidated financial statements						
	Note	Land	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Cost								
At 1 January 2020		43,171	56,207	43,587	19,535	8,118	9,217	179,835
Additions		48	477	4,667	2,160	7,645	276	15,273
Transfers		-	4,955	1,498	218	(7,621)	950	-
Disposals		-	(451)	(1,124)	(1,507)	(16)	(123)	(3,221)
Exchange differences on translating financial statements		-	185	10	16	339	3	553
At 31 December 2020 - as previously reported		**43,219**	**61,373**	**48,638**	**20,422**	**8,465**	**10,323**	**192,440**
Reclassification*	*38*	-	(1,321)	9,799	(9,203)	(22)	725	(22)
At 1 January 2021		**43,219**	**60,052**	**58,437**	**11,219**	**8,443**	**11,048**	**192,418**
Additions		111	1,138	4,558	4,459	9,629	293	20,188
Acquisition through business combination	*4*	22,191	40,957	-	13,023	1,587	185	77,943
Transfers		-	9,840	756	160	(11,876)	1,120	-
Reclassification		1,535	3,937	-	-	-	-	5,472
Disposals		-	(730)	(1,811)	(1,906)	(7)	(147)	(4,601)
Exchange differences on translating financial statements		(15)	(196)	93	36	632	17	567
At 31 December 2021		**67,041**	**114,998**	**62,033**	**26,991**	**8,408**	**12,516**	**291,987**

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	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Accumulated depreciation and accumulated impairment losses								
At 1 January 2020		-	(19,536)	(27,650)	(11,786)	-	(5,302)	(64,274)
Depreciation charge for the year		-	(2,676)	(4,696)	(2,589)	-	(931)	(10,892)
Impairment losses, net		-	(3)	2	1	-	-	-
Disposals		-	304	1,079	1,466	-	107	2,956
Exchange differences on translating financial statements		-	(23)	(3)	(5)	-	-	(31)
At 31 December 2020 - as previously reported		**-**	**(21,934)**	**(31,268)**	**(12,913)**	**-**	**(6,126)**	**(72,241)**
Reclassification*	*38*	-	436	(6,425)	5,960	-	29	-
At 1 January 2021		**-**	**(21,498)**	**(37,693)**	**(6,953)**	**-**	**(6,097)**	**(72,241)**
Depreciation charge for the year		-	(3,049)	(5,991)	(2,315)	-	(1,031)	(12,386)
Impairment losses, net		-	(89)	(1)	10	-	-	(80)
Disposals		-	415	1,674	1,792	-	126	4,007
Exchange differences on translating financial statements		-	321	(45)	(23)	-	(7)	246
At 31 December 2021		**-**	**(23,900)**	**(42,056)**	**(7,489)**	**-**	**(7,009)**	**(80,454)**

Consolidated financial statements *(Continued)*

	Note	Land	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Net book value								
At 1 January 2020		**43,171**	**36,671**	**15,937**	**7,749**	**8,118**	**3,915**	**115,561**
At 31 December 2020								
- as previously reported		**43,219**	**39,439**	**17,370**	**7,509**	**8,465**	**4,197**	**120,199**
At 1 January 2021		**43,219**	**38,554**	**20,744**	**4,266**	**8,443**	**4,951**	**120,177**
At 31 December 2021		**67,041**	**91,098**	**19,977**	**19,502**	**8,408**	**5,507**	**211,533**

Security

As at 31 December 2021, the Group's property, plant and equipment with total net book value of Baht 14,756 million *(2020: Baht 3 million)* were pledged under long-term borrowings from financial institution.

**These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

		Separate financial statements						
	Note	Land	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Cost								
At 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								
- as previously reported		**4,138**	**28,897**	**18,529**	**18,643**	**2,153**	**8,161**	**80,521**
Reclassification*	*38*	-	-	9,410	(8,837)	(22)	(573)	(22)
At 1 January 2021		**4,138**	**28,897**	**27,939**	**9,806**	**2,131**	**7,588**	**80,499**
Additions		24	242	3,268	1,285	4,078	210	9,107
Transfers		-	4,166	107	20	(5,229)	936	-
Disposals		-	(358)	(1,094)	(510)	-	(101)	(2,063)
At 31 December 2021		**4,162**	**32,947**	**30,220**	**10,601**	**980**	**8,633**	**87,543**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements *(Continued)*

	Note	Land	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Accumulated depreciation and accumulated impairment losses								
At 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 - as previously reported		**-**	**(11,525)**	**(12,266)**	**(12,357)**	**-**	**(5,304)**	**(41,452)**
Reclassification*	*38*	-	-	(6,144)	5,694	-	450	-
At 1 January 2021		**-**	**(11,525)**	**(18,410)**	**(6,663)**	**-**	**(4,854)**	**(41,452)**
Depreciation charge for the year		-	(1,730)	(3,349)	(1,287)	-	(800)	(7,166)
Disposals		-	238	1,057	477	-	85	1,857
At 31 December 2021		**-**	**(13,017)**	**(20,702)**	**(7,473)**	**-**	**(5,569)**	**(46,761)**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Separate financial statements *(Continued)*

	Note	Land	Buildings, building improvements and right-of-use asset improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
					(in million Baht)			
Net book value								
At 1 January 2020		**4,091**	**15,419**	**4,883**	**5,964**	**1,941**	**2,798**	**35,096**
At 31 December 2020								
- as previously reported		**4,138**	**17,372**	**6,263**	**6,286**	**2,153**	**2,857**	**39,069**
At 1 January 2021		**4,138**	**17,372**	**9,529**	**3,143**	**2,131**	**2,734**	**39,047**
At 31 December 2021		**4,162**	**19,930**	**9,518**	**3,128**	**980**	**3,064**	**40,782**

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 2021 amounted to Baht 55,495 million *(2020: Baht 28,884 million)* in the consolidated financial statements and Baht 21,754 million *(2020: Baht 16,493 million)* in the separate financial statements respectively.

**These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.*

15 Right-of-use assets

	Note	Consolidated financial statements					
		Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
				(in million Baht)			
Cost							
At 1 January 2020		18,179	31,122	927	46	189	50,463
Additions		4,705	8,402	502	23	261	13,893
Disposals		(427)	(1,971)	(14)	(11)	(28)	(2,451)
Exchange differences on translating financial statements		68	1	-	-	-	69
At 31 December 2020 – as previously reported		**22,525**	**37,554**	**1,415**	**58**	**422**	**61,974**
Reclassification**		237	30	-	-	-	267
At 1 January 2021		**22,762**	**37,584**	**1,415**	**58**	**422**	**62,241**
Additions		3,837	6,197	595	24	151	10,804
Acquisition through business combination	*4*	13,024	12,063	126	471	344	26,028
Disposals		(1,072)	(3,590)	(58)	(2)	(49)	(4,771)
Lease modification		-	359	1	-	68	428
Exchange differences on translating financial statements		193	103	2	-	4	302
At 31 December 2021		**38,744**	**52,716**	**2,081**	**551**	**940**	**95,032**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements *(Continued)*

	Note	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
				(in million Baht)			
Accumulated depreciation							
At 1 January 2020		-	-	-	-	-	-
Depreciation charge for the year*		(1,902)	(7,115)	(191)	(21)	(111)	(9,340)
Disposals		34	197	11	10	15	267
Exchange differences on translating financial statements		(3)	1	-	-	-	(2)
At 31 December 2020 – as previously reported		**(1,871)**	**(6,917)**	**(180)**	**(11)**	**(96)**	**(9,075)**
Reclassification**		(237)	(30)	-	-	-	(267)
At 1 January 2021		**(2,108)**	**(6,947)**	**(180)**	**(11)**	**(96)**	**(9,342)**
Depreciation charge for the year		(2,580)	(7,486)	(209)	(24)	(162)	(10,461)
Impairment losses		(36)	(44)	-	-	-	(80)
Disposals		213	1,848	58	1	47	2,167
Lease modification		-	(13)	-	-	-	(13)
Exchange differences on translating financial statements		(17)	(17)	(1)	-	(2)	(37)
At 31 December 2021		**(4,528)**	**(12,659)**	**(332)**	**(34)**	**(213)**	**(17,766)**

Consolidated financial statements *(Continued)*

	Note	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
				(in million Baht)			
Net book value							
At 1 January 2020		**18,179**	**31,122**	**927**	**46**	**189**	**50,463**
At 31 December 2020							
- as previously reported		**20,654**	**30,637**	**1,235**	**47**	**326**	**52,899**
At 1 January 2021		**20,654**	**30,637**	**1,235**	**47**	**326**	**52,899**
At 31 December 2021		**34,216**	**40,057**	**1,749**	**517**	**727**	**77,266**

**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.*

*** These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Separate financial statements			
	Land	Building	Machinery and equipment	Total
		(in million Baht)		
Cost				
At 1 January 2020	10,481	28,188	-	38,669
Additions	4,400	8,224	-	12,624
Disposals	(428)	(1,932)	-	(2,360)
At 31 December 2020				
- as previously reported	**14,453**	**34,480**	**-**	**48,933**
Reclassification**	237	30	-	267
At 1 January 2021	**14,690**	**34,510**	**-**	**49,200**
Additions	3,133	5,584	157	8,874
Disposals	(1,062)	(3,205)	-	(4,267)
At 31 December 2021	**16,761**	**36,889**	**157**	**53,807**
Accumulated depreciation				
At 1 January 2020	-	-	-	-
Depreciation charge for the year*	(1,528)	(6,617)	-	(8,145)
Disposals	34	189	-	223
At 31 December 2020				
- as previously reported	**(1,494)**	**(6,428)**	**-**	**(7,922)**
Reclassification**	(237)	(30)	-	(267)
At 1 January 2021	**(1,731)**	**(6,458)**	**-**	**(8,189)**
Depreciation charge for the year	(1,930)	(6,748)	(3)	(8,681)
Disposals	205	1,585	-	1,790
At 31 December 2021	**(3,456)**	**(11,621)**	**(3)**	**(15,080)**
Net book value				
At 1 January 2020	**10,481**	**28,188**	**-**	**38,669**
At 31 December 2020				
- as previously reported	**12,959**	**28,052**	**-**	**41,011**
At 1 January 2021	**12,959**	**28,052**	**-**	**41,011**
At 31 December 2021	**13,305**	**25,268**	**154**	**38,727**

**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*

*** These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

16 Goodwill

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(in million Baht)			
At 31 December					
Cost		128,096	128,096	-	-
Acquisition through business combination	*4*	232,545	-	-	-
Less impairment loss		-	-	-	-
Net book value		**360,641**	**128,096**	**-**	**-**

Most of the Goodwill arose from (1) Siam Makro Public Company Limited completed the entire business transfer transaction of C.P. Retail Holding Company Limited ("CPRH"), (2) the Company's purchase of shares of Siam Makro Public Company Limited both directly and indirectly, and (3) 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	
	2021	2020	2021	2020
	(in million Baht)			
C.P. Retail Development Company Limited and its subsidiaries ("Lotus's Group")*	232,545	-	-	-
Siam Makro Public Company Limited	125,936	125,936	-	-
Indoguna Group of companies	2,023	2,023	-	-
Other	137	137	-	-
Total	**360,641**	**128,096**	**-**	**-**

**The Group is currently assessing the allocation of Lotus's Group's goodwill because it is still during the measurement period.*

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 (1) Lotus's Group (2) Siam Makro Public Company Limited and (3) Indoguna Group of companies.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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 (1) Lotus's Group (2) Siam Makro Public Company Limited and (3) 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 and Lotus's Group including sale and mall rental growth of new stores and growth of existing stores of Lotus's Group. 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 revenue growth rate, which in 2021 if discount rate increases by 2.5% and 2.0% *(2020: 0.4% and 3.0%)* or terminal value growth rate decreases by 5.3% and 3.0% *(2020: 0.7% and 6.0%)* or budgeted revenue growth rate decreases by 5.8% and 5.0% *(2020: 1.2% and 6.0%)* could cause the recoverable amount of Siam Makro Public Company Limited and Indoguna Group of companies, respectively 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

17 Intangible assets other than goodwill

		Consolidated financial statements			
	Note	Computer software in use and under development	Intellectual property	Other	Total
			(in million Baht)		
Cost					
At 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 and 1 January 2021		**8,000**	**46,521**	**2,199**	**56,720**
Additions		2,286	-	1	2,287
Acquisition through business combination	*4*	4,143	-	1,078	5,221
Transfers		(2)	-	2	-
Disposals		(295)	-	-	(295)
Exchange differences on translating financial statements		28	-	134	162
At 31 December 2021		**14,160**	**46,521**	**3,414**	**64,095**
Accumulated amortisation and accumulated impairment losses					
At 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 and 1 January 2021		**(3,851)**	**-**	**(1,163)**	**(5,014)**
Amortisation charge for the year		(863)	-	(28)	(891)
Impairment losses, net		8	(7,167)*	-	(7,159)
Disposals		87	-	-	87
Exchange differences on translating financial statements		(3)	-	-	(3)
At 31 December 2021		**(4,622)**	**(7,167)**	**(1,191)**	**(12,980)**
Net book value					
At 1 January 2020		**3,837**	**46,521**	**1,026**	**51,384**
At 31 December 2020 and 1 January 2021		**4,149**	**46,521**	**1,036**	**51,706**
At 31 December 2021		**9,538**	**39,354**	**2,223**	**51,115**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

** Impairment testing for intellectual property*

The recoverable amount of intellectual property was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations. The key assumptions used in the estimation of the recoverable amount were discount rate, terminal value growth rate, and budgeted revenue growth rate. Discount rate was based on weighted average cost of capital. Terminal value growth rate was determined based on average gross domestic product growth rate. Budgeted revenue growth rate was based on expectations of future outcomes taking into the past experience. The carrying amount of the intellectual property was determined to be higher than its recoverable amount. The Group recorded impairment for loss on intangible assets other than goodwill of Baht 7,167 million during 2021.

	Separate Financial statements Computer software in use and under development *(in million Baht)*
Cost	
At 1 January 2020	3,350
Additions	574
At 31 December 2020 and 1 January 2021	**3,924**
Additions	843
Disposals	(178)
At 31 December 2021	**4,589**
Accumulated amortisation	
At 1 January 2020	(1,661)
Amortisation charge for the year	(289)
At 31 December 2020 and 1 January 2021	**(1,950)**
Amortisation charge for the year	(329)
Disposals	1
At 31 December 2021	**(2,278)**
Net book value	
At 1 January 2020	**1,689**
At 31 December 2020 and 1 January 2021	**1,974**
At 31 December 2021	**2,311**

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 2021 amounted to Baht 4,319 million *(2020: Baht 2,204 million)* in the consolidated financial statements and Baht 1,055 million *(2020: Baht 1,505 million)* in the separate financial statements, respectively.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

18 Interest-bearing liabilities

	Consolidated financial statements					
	2021			2020		
	Secured	Unsecured	**Total**	Secured	Unsecured	**Total**
	(in million Baht)					
Short-term borrowings from financial institutions						
Bills of exchange	-	-	**-**	-	480	**480**
Liabilities under trust receipts	-	915	**915**	-	526	**526**
Short-term borrowings	28,283	13,493	**41,776**	-	45	**45**
Short-term borrowings from other parties	-	-	**-**	-	6	**6**
Debentures	40,857	181,492	**222,349**	57,966	95,030	**152,996**
Long-term borrowings from financial institutions	19,679	89,018	**108,697**	1,712	86,620	**88,332**
Lease liabilities	-	88,540	**88,540**	-	50,583	**50,583**
Total interest-bearing liabilities	**88,819**	**373,458**	**462,277**	**59,678**	**233,290**	**292,968**

		Separate financial statements					
		2021			2020		
	Note	Secured	Unsecured	**Total**	Secured	Unsecured	**Total**
		(in million Baht)					
Short-term borrowings from financial institutions		-	13,493	**13,493**	-	-	**-**
Short-term borrowings from subsidiary	*5*	-	1,400	**1,400**	-	-	**-**
Debentures		40,857	181,492	**222,349**	57,966	95,030	**152,996**
Long-term borrowings from financial institutions		-	-	**-**	-	79,620	**79,620**
Lease liabilities		-	40,118	**40,118**	-	42,018	**42,018**
Total interest-bearing liabilities		**40,857**	**236,503**	**277,360**	**57,966**	**216,668**	**274,634**

Unutilised credit facilities

As at 31 December 2021 the Group had unutilized credit facilities totaling Baht 27,576 million, Indian Rupee 205 million, United States Dollar 154 million, Malaysian Ringgit 131 million, Singapore Dollar 13 million and United Arab Emirates Dirham 5 million *(2020: Baht 16,982 million, Indian Rupee 173 million, United States Dollar 4 million and Singapore Dollar 12 million)*.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
At 1 January		1,050	3,327	-	2,500
Increases (decreases)		13,272	(2,279)	13,428	(2,500)
Acquisition through business combination	4	28,220	-	-	-
Interest paid calculated using effective interest rate method		117	-	65	-
Unrealised loss on exchange		12	-	-	-
Exchange differences on translating financial statements		20	2	-	-
At 31 December		**42,691**	**1,050**	**13,493**	**-**

Short-term borrowings from other parties

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
	(in million Baht)			
At 1 January	6	14	-	-
Decreases	(6)	(9)	-	-
Exchange differences on translating financial statements	-	1	-	-
At 31 December	**-**	**6**	**-**	**-**

Debentures

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
	(in million Baht)			
At 1 January	152,996	132,793	152,996	132,793
Increases, net of bond issuance cost	87,823	32,468	87,823	32,468
Decreases	(18,502)	(12,290)	(18,502)	(12,290)
Interest paid calculated using effective interest rate method	32	25	32	25
At 31 December	**222,349**	**152,996**	**222,349**	**152,996**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Company issued unsubordinated debentures in registered name form, secured and unsecured debentures. Detail of outstanding balances were follows:

Debentures no.	Date	Credit limit *(in million Baht)*	Objective	Balances at 31 December 2021			
				Debentures term *(years)*	Amount *(in million Baht)*	Fixed rate *(% per annum)*	Fully repayable date
Secured debentures							
1/2013	31 October 2013	50,000	Repayment of short-term borrowings from financial institutions	10	15,122	5.35	31 October 2023
1/2014	27 March 2014	40,000	Repayment of short-term borrowings from financial institutions	10	15,314	5.14	27 March 2024
2/2014	22 August 2014	40,000	Repayment of long-term borrowings from financial institutions	10	16,651*	5.05	22 August 2024
Unsecured debentures							
2/2015	30 June 2015	13,000	Repayment of long-term borrowings from financial institutions	7	3,000	4.10	30 June 2022
				10	6,000	4.45	30 June 2025
1/2016	18 March 2016	7,000	Repayment of borrowings	7	937	3.40	18 March 2023
				10	2,074	4.00	18 March 2026
				12	2,607	4.15	18 March 2028
2/2016	26 August 2016	12,000	Repayment of borrowings	7	500	3.25	26 August 2023
				10	748	3.68	26 August 2026
				12	4,851	4.00	26 August 2028
1/2017	27 March 2017	4,500	Repayment of borrowings	12	4,500	4.70	27 March 2029
2/2017	18 August 2017	3,000	Repayment of matured debentures	10	3,000	3.96	18 August 2027
3/2017	15 and 30 November 2017	18,000	Early redemption of debentures	5	9,000	3.10	30 November 2022
				10	9,000	3.50	15 November 2027
1/2019	18 January 2019	15,000	Repayment of matured debentures and/or for working capital	3	5,000	2.86	18 January 2022
				8	2,466	3.95	18 January 2027
				10	1,920	4.12	18 January 2029
				12	5,614	4.40	18 January 2031

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Debentures no.	Date	Credit limit (in million Baht)	Objective	Balances at 31 December 2021			
				Debentures term (years)	Amount (in million Baht)	Fixed rate (% per annum)	Fully repayable date
Unsecured debentures (Continued)							
1/2020	13 May 2020	7,500	Repayment of matured debentures and/or for working capital	7	1,699	2.90	13 May 2027
				10	2,169	3.29	13 May 2030
				12	3,632	3.59	13 May 2032
2/2020	29 September 2020	25,000	Repayment of matured debentures and/or for working capital	2 years 5 months 17 days	6,000	1.90	18 March 2023
				4 years 9 months 1 day	13,200	3.00	30 June 2025
				9 years 7 months 14 days	2,350	3.40	13 May 2030
				15	3,450	3.90	29 September 2035
1/2021	16 March 2021	21,900	Repayment of loans from financial institutions	5	10,000	2.86	16 March 2026
				7	6,800	3.42	16 March 2028
				10	3,600	3.95	16 March 2031
				15	1,500	4.64	16 March 2036
2/2021	16 June 2021	66,000	Repayment of borrowings from financial institutions	2	3,000	1.53	16 June 2023
				3	3,000	1.76	16 June 2024
				4	6,500	2.14	16 June 2025
				5	17,773	3.00	16 June 2026
				7	7,376	3.40	16 June 2028
				10	21,351	3.90	16 June 2031
				12	7,000	4.20	16 June 2033

** On 22 August 2017, debentures of Baht 6,212 million are early redeemed and paid.*

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

All series of debentures were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on the issued date and all series of debentures have a credit rating of "A-(tha)" latest updated by Fitch Ratings (Thailand) Limited on 23 September 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 2021, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 1,048 million shares. The fair value of those shares totaled Baht 44,003 million.

Long-term borrowings from financial institutions

Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		**Separate financial statements**	
	Note	2021	2020	2021	2020
		(in million Baht)			
At 1 January		88,332	8,838	79,620	-
Increases		5,000	79,244	-	79,244
Acquisition through business combination	*4*	100,093	-	-	-
Decreases		(89,187)	(256)	(83,819)	-
Interest paid calculated using effective interest rate method		1,736	101	1,668	101
Unrealised loss on exchange		-	275	-	275
Realised loss on exchange		2,531	-	2,531	-
Exchange differences on translating financial statements		192	130	-	-
At 31 December		**108,697**	**88,332**	**-**	**79,620**

At 31 December 2021 the Group had unsecured long-term borrowings agreements with some local branch of foreign financial institutions and local 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 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2022
The second agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2022
The third agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2024

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Borrowing agreement	Approved credit facilities	Interest rate *(% per annum)*	Term of payment
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2025
The fifth agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2026
The sixth agreement	United States Dollars 2,500 million (or equivalent to approximately Baht 83,550 million)	Variable interest rate as stipulated in the agreement	Entire principal of borrowing in October 2024
The seventh agreemen	Malaysia Ringgit 2,300 million (or equivalent to approximately Baht 18,433 million)	Variable interest rate as stipulated in the agreement	Installment until October 2026
The eighth agreement	China Renminbi 450 million (or equivalent to approximately Baht 2,393 million)	Floating interest rate as stipulated in the agreement	Semi-annually installment due to May 2026
The ninth agreement	United States Dollars 3,200 million (or equivalent to approximately Baht 107,497 million)	Floating interest rate as stipulated in the agreement	Entire principal of borrowing in June 2022

In this regard, certain foreign subsidiaries issued the letters of guarantee for the eighth 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

Movements during the years ended 31 December 2021 and 2020 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
At 1 January		50,583	47,568	42,018	39,199
Purchase of assets under lease liabilities		9,463	12,914	8,034	11,837
Acquisition through business combination	*4*	38,889	-	-	-
Payment of lease liabilities		(9,854)	(8,526)	(7,745)	(7,317)
Write-off		(2,738)	(2,348)	(3,170)	(2,284)
Finance costs under lease		1,622	1,272	981	886
Lease modification		721	-	-	-
Net impact from a granted rent concession		-	(303)*	-	(303)*
Exchange differences on translating financial statements		(146)	6	-	-
At 31 December		**88,540**	**50,583**	**40,118**	**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.*

19 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in million Baht)			
Related parties	*5*	9,511	6,406	6,029	6,173
Other parties		97,352	66,372	32,672	30,320
Total		**106,863**	**72,778**	**38,701**	**36,493**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

20 Other payables

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
Related parties	5	**775**	**247**	**7,265**	**8,102**
Other parties					
Other payables		14,642	3,611	1,374	1,410
Accrued personnel expenses		3,039	1,905	688	444
Accrued royalties and other accrued expenses		5,774	2,880	1,137	1,220
Deferred royalties and other deferred income		2,107	2,236	1,136	1,326
Accrued interest expenses		2,279	1,648	1,638	1,589
Accrued utilities expenses		1,381	861	636	631
Accrued advertising and sale promotion expenses		286	289	67	149
Accrued rental fees		227	176	224	169
Other		1,293	947	431	481
		31,028	**14,553**	**7,331**	**7,419**
Total		**31,803**	**14,800**	**14,596**	**15,521**

21 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.

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CP ALL Public Company Limited and its Subsidiaries

Other long-term employee benefit plan

A local subsidiary provides to other long-term employee benefit plan, namely long service awards.

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	*Note*	**Consolidated financial statements** 2021	2020	**Separate financial statements** 2021	2020
		(in million Baht)			
At 1 January		5,085	4,843	2,866	2,772
Included in profit or loss:					
Current service costs		394	350	172	176
Past service costs		4	-	-	-
Interest on obligation		71	69	40	39
		469	419	212	215
Included in other comprehensive income:					
Actuarial (gain) loss					
- Financial assumptions		(440)	(342)	(271)	(266)
- Experience adjustment		164	291	120	205
		(276)	(51)	(151)	(61)
Other					
Benefits paid by the plan		(161)	(127)	(51)	(60)
Acquisition through business combination	*4*	1,487	-	-	-
Transfer in provisions for employee benefits from subsidiaries and related companies		5	1	4	-
Loss of control over a subsidiary		(13)	-	-	-
Exchange differences on translating financial statements		48	-	-	-
At 31 December		**6,644**	**5,085**	**2,880**	**2,866**

Principal actuarial assumptions

	Consolidated financial statements 2021	2020	**Separate financial statements** 2021	2020
	(%)			
Discount rate	1.3 - 2.2	1.30 - 1.70	2.20	1.60
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	3.0 - 8.0	4.0 - 5.0	3.5 - 4.0	4.0 - 4.5
Turnover rate	0.0 - 50.0	1.0 - 50.0	0.0 - 12.0	1.0 - 20.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

At 31 December 2021, the weighted-average duration of the defined benefit obligations were 7 to 15 years *(2020: 8 to 15 years).*

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	(in million Baht)			
At 31 December				
Discount rate	(406)	(406)	443	466
Future salary growth	437	429	(387)	(380)
Employee turnover	(428)	(415)	483	442

	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	(in million Baht)			
At 31 December				
Discount rate	(225)	(240)	241	279
Future salary growth	240	265	(213)	(234)
Employee turnover	(234)	(257)	266	295

22 Other non-current provisions

		Consolidated financial statements				
		2021				2020
	Note	Dismantling provision	Provision for litigation claim	Other	Total	Provision for litigation claim
		(in million Baht)				
At 1 January		-	76	-	76	29
Acquisition through business combination	*4*	2,101	16	49	2,166	-
Provision made		321	35	16	372	47
Provision used		-	(36)	-	(36)	-
Provision reverse		(3)	-	-	(3)	-
At 31 December		**2,419**	**91**	**65**	**2,575**	**76**

	Separate financial statements	
	2021	2020
	(in million Baht)	
At 1 January	-	-
Dismantling provision made	180	-
Dismantling provision used	-	-
Dismantling provision reverse	-	-
At 31 December	**180**	**-**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

23 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.

Surplus from changes in ownership interest in subsidiary

Surplus 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 2021 and 2020 was higher than 10% of the registered authorised capital.

Other components of equity

Translation reserve

The translation reserve recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign entities to Thai Baht.

Fair value reserve

The fair value comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income.

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

24 Perpetual subordinated debentures

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
At 1 January	19,909	19,909	19,909	19,909
Increase, net of perpetual subordinated debentures issuance cost	9,955	-	9,955	-
Decrease	(9,953)	-	(9,953)	-
At 31 December	**19,911**	**19,909**	**19,911**	**19,909**

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. Later, on 30 November 2021, the Company exercised the early redemption right per condition as stipulated in the terms and conditions of debentures no. 1/2016 of Baht 10,000 million, as well as, on the same day the Company issued unsecured, unconvertible and perpetual subordinated debentures in registered name form ("Debentures") of Baht 10,000 million (debentures no. 1/2021) , 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-years 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 19,911 million, net of issuance cost of Baht 89 million, were recognised as a part of equity in the consolidated and separate financial statements for the year ended 31 December 2021 (consisted of debentures no. 1/2017 of Baht 9,956 million, net of issuance cost of Baht 44 million and debentures no. 1/2021 of Baht 9,955 million, net of issuance cost of Baht 45 million).

As at 31 December 2021, the Company has not deferred any interest payments to the perpetual subordinated debentures holders. Cumulative interest for the year ended 31 December 2021 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 1,000 million *(2020: Baht 1,003 million)*. During the year of 2021, the Company paid interest expenses on perpetual subordinated debentures to the holders of Baht 1,000 million *(2020: Baht 1,003 million)*.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

For debentures no. 1/2017, as at 31 December 2021, 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 2021, the Company classified the perpetual subordinated debentures as financial liability, total liabilities and equity of the Company will increase and decrease by Baht 9,956 million.

25 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, cash and carry, retail and mall rental, as well as, rendering of services related to these operations.

Segment information

Management determined that the Group has 4 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: Retail and mall rental
Segment 4: Other

Other segments include food service, 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.

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 2021 and 2020 were as follows:

	Convenience stores		Cash and carry		Retail and mall rental		Other		Elimination		**Total**	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	**2021**	**2020**
					(in million Baht)							
For the year ended 31 December												
Type of revenues												
Revenue from sale of goods	288,967	299,437	221,345	214,140	37,503	-	34,208	33,261	(31,387)	(30,531)	**550,636**	**516,307**
Revenue from rendering of services	1,301	1,268	3,927	3,757	2,770	-	15,632	11,905	(9,059)	(7,353)	**14,571**	**9,577**
Revenue from sale of goods and rendering of services to external customers	290,268	300,705	225,272	217,897	40,273	-	49,840	45,166	(40,446)	(37,884)	**565,207**	**525,884**
Timing of revenue recognition												
At a point of time	290,268	300,705	221,345	214,140	37,503	-	45,684	41,073	(38,124)	(34,968)	**556,676**	**520,950**
Overtime	-	-	3,927	3,757	2,770	-	4,156	4,093	(2,322)	(2,916)	**8,531**	**4,934**
Total	**290,268**	**300,705**	**225,272**	**217,897**	**40,273**	**-**	**49,840**	**45,166**	**(40,446)**	**(37,884)**	**565,207**	**525,884**
Segment profit before income tax expense	8,170	14,593	7,436	8,051	886	-	3,355	4,543	(7,270)	(7,925)	**12,577**	**19,262**

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 2021 and 2020 were as follows:

	Convenience stores		Cash and carry		Retail and mall rental		Other		Elimination		**Total**	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	**2021**	**2020**
						(in million Baht)						
Revenue from sale of goods and rendering of services	290,268	300,705	225,272	217,897	40,273	-	49,840	45,166	(40,446)	(37,884)	**565,207**	**525,884**
Interest income	268	338	32	39	19	-	74	82	(264)	(302)	**129**	**157**
Dividend income	7,064	6,768	-	-	-	-	190	120	(7,254)	(6,888)	-	-
Net foreign exchange gain	359	147	30	9	26	-	(8)	77	-	(7)	**407**	**226**
Gain from sale of investments in subsidiaries	1,711	-	-	-	-	-	25	-	(418)	-	**1,318**	-
Other income	20,809	20,572	558	817	225	-	1,539	905	(2,595)	(1,971)	**20,536**	**20,323**
Gain on step acquisition	-	-	6,714	-	-	-	-	-	-	-	**6,714**	-
Total revenues	**320,479**	**328,530**	**232,606**	**218,762**	**40,543**	-	**51,660**	**46,350**	**(50,977)**	**(47,052)**	**594,311**	**546,590**
Cost of sale of goods and rendering of services	210,806	216,981	198,479	192,016	30,972	-	39,119	34,105	(34,538)	(32,222)	**444,838**	**410,880**
Distribution costs	77,328	77,152	13,155	13,034	6,156	-	4,026	3,749	(2,984)	(2,799)	**97,681**	**91,136**
Administrative expenses	13,166	11,982	5,831	5,037	1,518	-	4,820	3,578	(6,148)	(3,874)	**19,187**	**16,723**
Net foreign exchange loss	-	-	-	5	-	-	-	2	-	(7)	-	-
Net impairment for loss on intangible assets other than goodwill	-	-	7,159	-	-	-	-	-	-	-	**7,159**	-
Finance costs	11,009	7,822	546	619	1,011	-	340	373	(263)	(288)	**12,643**	**8,526**
Share of loss of associate and joint ventures	-	-	-	-	-	-	-	-	226	63	**226**	**63**
Total expenses	**312,309**	**313,937**	**225,170**	**210,711**	**39,657**	-	**48,305**	**41,807**	**(43,707)**	**(39,127)**	**581,734**	**527,328**
Segment profit before income tax expense	**8,170**	**14,593**	**7,436**	**8,051**	**886**	-	**3,355**	**4,543**	**(7,270)**	**(7,925)**	**12,577**	**19,262**

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 2021 and 2020 were as follows:

	Convenience stores		Cash and carry		Retail and mall rental		Other		Elimination		**Total**	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	**2021**	**2020**
						(in million Baht)						
Investment properties	-	-	333	333	45,156	-	-	-	-	-	**45,489**	**333**
Property, plant and equipment	40,803	39,047	58,015	58,117	87,880	-	25,690	24,086	(855)	(1,073)	**211,533**	**120,177**
Right-of-use assets	38,727	41,011	11,365	10,627	25,829	-	1,672	1,768	(327)	(507)	**77,266**	**52,899**
Goodwill	-	-	127,959	127,959	232,545	-	137	137	-	-	**360,641**	**128,096**
Intangible assets other than goodwill	2,310	1,974	48,268	48,273	5,864	-	2,176	1,716	(7,503)	(257)	**51,115**	**51,706**
Other assets	337,673	336,972	67,012	28,893	59,273	-	27,219	25,294	(305,329)	(221,016)	**185,848**	**170,143**
Segment assets as at 31 December	**419,513**	**419,004**	**312,952**	**274,202**	**456,547**	**-**	**56,894**	**53,001**	**(314,014)**	**(222,853)**	**931,892**	**523,354**
Segment liabilities as at 31 December	**338,161**	**338,164**	**69,574**	**66,190**	**226,252**	**-**	**29,238**	**26,530**	**(24,140)**	**(19,125)**	**639,085**	**411,759**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Information about geographical areas

Segment 1, 3 and 4 are managed and have sales offices in Thailand, Malaysia, and other.

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December and for the year then ended were as follows:

	Consolidated financial statements			
	Revenue		Non-current assets (excluded goodwill)	
	2021	2020	2021	2020
	(in million Baht)			
Thailand	576,894	536,749	352,049	310,345
Malaysia	6,818	-	36,188	-
Others	10,599	9,841	17,241	3,487
Total	**594,311**	**546,590**	**405,478**	**313,832**

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 certained 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 2021 and 2020 were as follow:

	Consolidated financial statements	
	2021	2020
	(in million Baht)	
Domestic sale of goods and rendering of services	9,518	9,692
Total	**9,518**	**9,692**

Contract balances

As at 31 December 2021 the Group had outstanding balances of contract liabilities in the consolidated financial statements amounting to Baht 816 million *(2020: Baht 958 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

26 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 1 year to 99 years, which will expire on various dates until August 2077 with extension options at the end of lease term. The rental is payable as specified in the contract.

Extension options

The Group has extension options on property lease exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

		Consolidated financial statements		Separate financial statements	
For the year ended 31 December	*Note*	2021	2020	2021	2020
		(in million Baht)			
Amounts recognised in profit or loss					
Sub-lease income		906	7	-	-
Depreciation of right-of-use assets:	*15*				
- Land		2,580	1,636	1,930	1,262
- Buildings		7,486	7,044	6,748	6,546
- Machinery and equipment		209	191	3	-
- Furniture, fixtures and office equipment		24	21	-	-
- Vehicles		162	111	-	-
Interest on lease liabilities	*18*	1,622	1,272	981	886
Expenses relating to short-term leases		259	783	48	577
Expenses relating to leases of low-value assets		195	177	61	52
Variable lease payments based on sales		51	53	36	53

Total cash outflow for leases presented in consolidated and separate statement of cash flows for the year ended 31 December 2021 were Baht 10,359 million and Baht 7,890 million, respectively *(2020: 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 year to 30 years and will expire on various dates until May 2048.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Lease payments to be received from operating leases as at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
1st year	1,901	71	-	-
2nd year	2,840	35	-	-
3rd year	1,180	11	-	-
4th year	241	5	-	-
5th year	67	-	-	-
After 5th year	1,090	-	-	-
Total	**7,319**	**122**	**-**	**-**

27 Other income

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Sale promotion income	12,267	12,674	11,515	12,413
Income on royalties and other fees relating to licenses income	2,272	2,284	2,228	2,269
Other	5,997	5,365	7,063	5,890
Total	**20,536**	**20,323**	**20,806**	**20,572**

28 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(in million Baht)			
Salaries, wages and bonus		38,042	34,405	22,747	21,643
Staff welfares		1,032	952	510	459
Contribution to social security fund		603	683	360	455
Defined benefit plans	*21*	469	419	212	215
Contribution to provident fund		402	332	164	174
Training expenses		197	144	1,497	1,100
Other		1,096	153	74	68
Total		**41,841**	**37,088**	**25,564**	**24,114**

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

29 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature are as follows:

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
Changes in inventories of finished goods and work in progress		(20,725)	(315)	(1,209)	(478)
Purchase of finished goods		434,658	384,806	204,374	210,445
Raw materials and consumables used		10,273	9,340	-	-
Depreciation – investment properties	13	749	-	-	-
Depreciation – property, plant and equipment	14	12,386	10,892	7,166	6,755
Depreciation – right-of-use assets	15	10,461	9,003	8,681	7,808
Amortisation – intangible assets other than goodwill	17	891	754	329	289
Impairment for loss on intangible assets other than goodwill	17	7,159	-	-	-
Employee benefit expenses	28	41,841	37,088	25,564	24,114
Convenience store management fees		18,221	19,196	18,218	19,196
Advertising and sale promotion expenses		15,239	14,402	13,837	13,371
Utilities expenses		10,808	9,888	7,543	7,545
Lease-related expenses	26	505	1,013	145	682
Other		26,398	22,671	16,566	16,388
Total cost of sales of goods and rendering of services, distribution costs and impairment for loss on intangible assets other than goodwill administrative expenses		**568,864**	**518,738**	**301,214**	**306,115**

30 Finance costs

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in million Baht)			
Finance costs paid to:					
Related party	5	-	-	21	26
Related parties under leases	5, 26	8	8	-	-
Financial institutions		11,021	7,254	10,007	6,910
Other parties under leases	26	1,614	1,264	981	886
Total		**12,643**	**8,526**	**11,009**	**7,822**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

31 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Current tax				
Current year	2,838	2,972	2	407
Over provided in prior years	(48)	(43)	-	-
	2,790	**2,929**	**2**	**407**
Deferred income tax				
Movements in temporary differences	(2,265)	(170)	(821)	(112)
	(2,265)	**(170)**	**(821)**	**(112)**
Total	**525**	**2,759**	**(819)**	**295**

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2021			2020		
	Before income tax	Tax (income) expense	Net of income tax	Before income tax	Tax expense	Net of income tax
	(in million Baht)					
Cash flow hedges reserve	66	(13)	53	-	-	-
Gain on remeasurements of defined benefit plans	(276)	55	(221)	(51)	9	(42)
Gain on investment in equity instruments designated at FVOCI	(325)	65	(260)	-	-	-
Total	**(535)**	**107**	**(428)**	**(51)**	**9**	**(42)**

	Separate financial statements					
	2021			2020		
	Before income tax	Tax expense	Net of income tax	Before income tax	Tax expense	Net of income tax
	(in million Baht)					
Gain on remeasurements of defined benefit plans	(150)	30	(120)	(61)	12	(49)
Gain on investment in equity instruments designated at FVOCI	(325)	65	(260)	-	-	-
Total	**(475)**	**95**	**(380)**	**(61)**	**12**	**(49)**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Reconciliation of effective tax rate

	Consolidated financial statements			
Applicable tax rate *(%)*	0%	20%	Other	Total
	(in million Baht)			
2021				
Accounting profit (loss) before income tax expense	144	13,711	(1,278)	12,577
Income tax at the applicable tax rates	-	2,742	-	2,742
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(2,278)	109	(2,169)
Over provided in prior years	-	(4)	(44)	(48)
Net	**-**	**460**	**65**	**525**
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	**-**	**2,762**	**(3)**	**2,759**

	Separate financial statements	
Applicable tax rate *(%)*	20%	20%
	2021	2020
	(in million Baht)	
Accounting profit before income tax expense	8,213	14,593
Income tax at the applicable tax rates	1,643	2,919
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(2,462)	(2,624)
Net	**(819)**	**295**

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Deferred tax assets	2,599	1,787	1,843	1,117
Deferred tax liabilities	(17,848)	(14,947)	-	-
Net	**(15,249)**	**(13,160)**	**1,843**	**1,117**

Movements in deferred tax assets and liabilities during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements					
		(Charged)/credit to				
	At 1 January	Profit or loss	Other comprehensive income	Acquisition through business combination (Note 4)	Exchange differences on translating financial statements	**At 31 December**
			(in million Baht)			
2021						
Deferred tax assets (liabilities)						
Trade accounts receivable and other receivables	12	(8)	-	-	-	4
Inventories	167	470	-	17	(3)	651
Investment in associate	(940)	940	-	(1,311)	-	(1,311)
Investments in related companies	-	-	(65)	-	-	(65)
Property, plant and equipment	63	(811)	-	(5,516)	47	(6,217)
Right-of use assets	(9,143)	7,401	-	2,401	-	659
Derivatives liabilities	940	(916)	-	-	-	24
Lease liabilities	9,677	(8,331)	-	-	-	1,346
Provisions for employee benefits	902	526	(55)	(138)	-	1,235
Other non-current provisions	-	621	-	(179)	-	442
Fair value adjustment assets acquired through business combinations	(14,947)	1,546	-	-	-	(13,401)
Loss carry forward	-	713	-	-	-	713
Other	109	114	13	436	(1)	671
Total	**(13,160)**	**2,265**	**(107)**	**(4,290)**	**43**	**(15,249)**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Consolidated financial statements			
		(Charged)/ credited to		
	At 1 January	Profit or loss	Other comprehensive income	**At 31 December**
		(in million Baht)		
2020				
Deferred tax assets (liabilities)				
Trade accounts receivable and other receivables	9	3	-	12
Inventories	152	15	-	167
Investment in associate	-	(940)	-	(940)
Property, plant and equipment	64	(1)	-	63
Right-of use assets	(7,538)	(1,605)	-	(9,143)
Derivatives liabilities	-	940	-	940
Lease liabilities	7,961	1,716	-	9,677
Provisions for employee benefits	858	53	(9)	902
Fair value adjustment assets acquired through business combinations	(15,003)	56	-	(14,947)
Other	176	(67)	-	109
Total	**(13,321)**	**170**	**(9)**	**(13,160)**

	Separate financial statements			
		(Charged)/ credited to		
	At 1 January	Profit or loss	Other comprehensive income	**At 31 December**
		(in million Baht)		
2021				
Deferred tax assets (liabilities)				
Other receivables	3	1	-	4
Inventories	44	-	-	44
Investment in associate	(940)	940	-	-
Investment in related companies	-	-	(65)	(65)
Property, plant and equipment	24	-	-	24
Right-of use assets	(7,935)	8,468	-	533
Derivatives liabilities	940	(917)	-	23
Lease liabilities	8,403	(8,403)	-	-
Provisions for employee benefits	578	19	(30)	567
Loss carry forward	-	713	-	713
Total	**1,117**	**821**	**(95)**	**1,843**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

		Separate financial statements		
		(Charged)/ credited to		
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
		(in million Baht)		
2020				
Deferred tax assets (liabilities)				
Other receivables	2	1	-	3
Inventories	33	11	-	44
Investment in associate	-	(940)	-	(940)
Property, plant and equipment	24	-	-	24
Right-of use assets	(7,434)	(501)	-	(7,935)
Derivatives liabilities	-	940	-	940
Lease liabilities	7,840	563	-	8,403
Provisions for employee benefits	552	38	(12)	578
Total	**1,017**	**112**	**(12)**	**1,117**

32 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2021 and 2020 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:

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	2021	2020	2021	2020
	(in million Baht/million shares)			
Profit for the year attributable to equity holders of the Company	12,985	16,102	9,032	14,298
Less: cumulative interest for the year on perpetual subordinated debentures	(1,000)	(1,003)	(1,000)	(1,003)
Profit used in calculation of basic earnings per share	**11,985**	**15,099**	**8,032**	**13,295**
Number of ordinary shares outstanding during the year	**8,983**	**8,983**	**8,983**	**8,983**
Basic earnings per share *(in Baht)*	**1.33**	**1.68**	**0.89**	**1.48**

33 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)*
2021				
2020 Annual dividend	23 April 2021	21 May 2021	0.9	8,085
2020				
2019 Annual dividend	15 April 2020	14 May 2020	1.25	11,229

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

34 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 instrument	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
					(in million Baht)				
31 December 2021									
Financial assets									
Forward exchange contracts	-	609	-	-	609	-	609	-	609
Investments in related companies	-	-	821	-	821	-	-	821	821
Financial liabilities									
Debentures	-	-	-	222,349	222,349	-	229,089	-	229,089
Long-term borrowings from financial institutions	-	-	-	108,697	108,697	-	110,167	-	110,167
Forward exchange contracts	876	128	-	-	1,004	-	1,004	-	1,004
Accrued guarantee deposits	-	-	-	3,519	3,519	-	3,008	-	3,008

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements (Continued)

	Carrying amount					Fair value			
	Hedging instrument	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
					(in million Baht)				
31 December 2020									
Financial assets									
Forward exchange contracts	-	1	-	-	1	-	1	-	1
Investment in related company	-	-	34	-	34	-	-	34	34
Financial liabilities									
Debentures	-	-	-	152,996	152,996	-	160,042	-	160,042
Long-term borrowings from financial institutions	-	-	-	88,332	88,332	-	89,260	-	89,260
Forward exchange contracts	4,386	1	-	-	4,387	-	4,387	-	4,387
Accrued guarantee deposits	-	-	-	3,634	3,634	-	3,058	-	3,058

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Separate financial statements								
	Carrying amount					Fair value			
	Hedging instrument	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
					(in million Baht)				
31 December 2021									
Financial assets									
Investments in related companies	-	-	526	-	526	-	-	526	526
Financial liabilities									
Debentures	-	-	-	222,349	222,349	-	229,089	-	229,089
Forward exchange contracts	-	118	-	-	118	-	118	-	118
Accrued guarantee deposits	-	-	-	3,530	3,530	-	3,019	-	3,019
31 December 2020									
Financial assets									
Investment in related company	-	-	34	-	34	-	-	34	34
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
Forward exchange contracts	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

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.

Financial instruments measured at fair value for level 3

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in related companies	Discounted cash flows	Discount rate: (2021: 8.71-11.00% and 2020: 11.28%)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

Reconciliation of fair value level 3

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(in million Baht)			
Investments in related companies					
At 1 January		34	34	34	34
Acquisitions		462	-	167	-
Change in fair value - recognised in other comprehensive income		325	-	325	-
At 31 December	5	**821**	**34**	**526**	**34**

Sensitivity analysis

For the fair values of financial assets measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects

	Consolidated financial statements		Separate financial statements	
Effect to other comprehensive income - net of income tax	1% increase in assumption	1% decrease in assumption	1% increase in assumption	1% decrease in assumption
	(in million Baht)			
At 31 December 2021				
Investments in related companies				
Discount rate	(76)	81	(41)	53
At 31 December 2020				
Investment in related company				
Discount rate	(5)	7	(5)	7

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

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 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.

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, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's trade 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to credit risk and expected credit loss of trade accounts receivable and other current receivables are disclosed in note 8 to the financial statements.

(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 which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiary's liabilities. At 31 December 2021, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary (see note 5 to the financial statements).

(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				
		Contractual cash flows				
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
		(in million Baht)				
At 31 December 2021						
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	42,691	42,698	-	-	-	42,698
Trade accounts payable	106,863	106,863	-	-	-	106,863
Other payables	23,018	23,018	-	-	-	23,018
Debentures	222,349	17,324	21,174	80,608	146,260	265,366
Long-term borrowings from financial institutions	108,697	5,081	87,856	23,788	-	116,725
Lease liabilities	88,540	11,208	9,811	19,008	50,616	90,643
Rental deposits from tenants	2,475	-	11	6	2,458	2,475
	594,633	**206,192**	**118,852**	**123,410**	**199,334**	**647,788**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

	Consolidated financial statements *(Continued)*					
		Contractual cash flows				
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
			(in million Baht)			
At 31 December 2021 (continued)						
Derivative financial liabilities						
Forward exchange contracts	128					
Forward exchange contracts used for hedging:	876					
- Cash outflow		(51,859)	-	(6,787)	-	(58,646)
	1,004	**(51,859)**	**-**	**(6,787)**	**-**	**(58,646)**
At 31 December 2020						
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
Rental deposits from tenants	32	-	5	6	21	32
	369,626	**199,180**	**33,093**	**98,956**	**88,968**	**420,197**
Derivative financial liabilities						
Forward exchange contracts	1					
Forward exchange contracts used for hedging:	4,386					
- Cash outflow		(69,786)	-	-	-	(69,786)
- Cash inflow		21	-	-	-	21
	4,387	**(69,765)**	**-**	**-**	**-**	**(69,765)**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

			Separate financial statements			
			Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
			(in million Baht)			
At 31 December 2021						
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	13,493	13,500	-	-	-	13,500
Trade accounts payable	38,701	38,701	-	-	-	38,701
Other payables	8,103	8,103	-	-	-	8,103
Short-term borrowings from subsidiary	1,400	1,421	-	-	-	1,421
Debentures	222,349	17,324	21,174	80,608	146,260	265,366
Lease liabilities	40,118	8,039	6,804	12,132	17,560	44,535
	324,164	**87,088**	**27,978**	**92,740**	**163,820**	**371,626**
Derivative financial liabilities						
Forward exchange contracts	118					
- Cash inflow		1,052	-	-	-	1,052
	118	**1,052**	**-**	**-**	**-**	**1,052**
At 31 December 2020						
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
	319,915	**160,220**	**29,717**	**95,736**	**77,109**	**362,782**
Derivative financial liabilities						
Forward exchange contracts used for hedging:	4,386					
- Cash outflow		(69,736)	-	-	-	(69,736)
	4,386	**(69,736)**	**-**	**-**	**-**	**(69,736)**

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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

At 31 December 2021 and 2020 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements											
	United States Dollar	Australian Dollar	Pound Sterling	Euro	Swiss Franc	New Zealand Dollar	Hong Kong Dollar	Yen	Cambodia Riel	China Renminbi	Other	Total
	(in million Baht)											
At 31 December 2021												
Cash and cash equivalents	189	1	-	-	-	-	1	-	109	177	-	477
Trade accounts receivable and other receivables	33	-	-	1	9	-	-	-	-	-	-	43
Trade accounts payable and other payables	(951)	(86)	(21)	(53)	-	(10)	-	(229)	-	(28)	(1)	(1,379)
Short-term borrowings from financial institutions	(18,927)	-	-	-	-	-	-	-	-	-	-	(18,927)
Long-term borrowings from financial institutions	(56,344)	-	-	-	-	-	-	-	-	-	-	(56,344)
Net statement of financial position exposure	**(76,000)**	**(85)**	**(21)**	**(52)**	**9**	**(10)**	**1**	**(229)**	**109**	**149**	**(1)**	**(76,130)**
Forward exchange purchase contracts	76,397	4	-	168	-	-	-	347	-	-	4	76,920
Forward exchange selling contracts	(46)	-	-	-	(30)	-	-	-	-	-	-	(76)
Net exposure	**351**	**(81)**	**(21)**	**116**	**(21)**	**(10)**	**1**	**118**	**109**	**149**	**3**	**714**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Consolidated financial statements (Continued)

	United States Dollar	Australian Dollar	Pound Sterling	Euro	Swiss Franc	Singapore Dollar	Hong Kong Dollar	Yen	Cambodia Riel	China Renminbi	Total
					(in million Baht)						
At 31 December 2020											
Cash and cash equivalents	180	1	-	-	-	-	1	-	19	152	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**	**151**	**(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**	**151**	**(960)**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

At 31 December 2021	Separate financial statements 2021 United States Dollar	2020 United States Dollar
	(in million Baht)	
Cash and cash equivalents	-	139
Trade accounts receivable and other current receivables	3	-
Short-term loans to subsidiaries	2,155	-
Long-term borrowings from financial institutions	-	(66,551)
Net statement of financial position exposure	**2,158**	**(66,412)**
Forward exchange purchase contracts	-	65,727
Forward exchange selling contracts	(1,170)	-
Net exposure	**988**	**(685)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Thai Baht against all other currencies as at reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

Impact to profit or loss	Movement	Consolidated financial statements Strengthening	Weakening	Separate financial statements Strengthening	Weakening
	(%)	*(in million Baht)*			
At 31 December 2021					
United States Dollar	1	(10)	10	(10)	10
At 31 December 2020					
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 because some of loan interest rates (Note 18 to the financial statements) are variable. The Group manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

Exposure to interest rate risk at 31 December	Consolidated financial statements 2021	2020	Separate financial statements 2021	2020
	(in million Baht)			
Financial instruments with variable interest rates				
Financial liabilities	72,799	-	-	-
Net statement of financial position exposure	**72,799**	**-**	**-**	**-**
Interest rate swaps	-	-	-	-
Net exposure	**72,799**	**-**	**-**	**-**

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
Impact to profit or loss	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	(in million Baht)			
31 December 2021				
Financial instruments with variable interest rate	(137)	137	-	-

(c) *Hedging accounting*

(c.1) *Cash flow hedges*

The amounts at the reporting date relating to items designated as hedged items were as follows.

	Consolidated financial statements			
Foreign currency risk	Change in value used for calculating hedges ineffectiveness	Cash flow hedges reserve	Costs of hedging reserve	Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
	(in million Baht)			
31 December 2021				
Borrowings	-	(10)	(111)	-

	Consolidated financial statements / Separate financial statements			
Foreign currency risk	Change in value used for calculating hedges ineffectiveness	Cash flow hedges reserve	Costs of hedging reserve	Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
	(in million Baht)			
31 December 2020				
Investment in associate	-	(4,699)	-	-
Borrowings	-	392	-	-

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At 31 December 2021 and 2020, the Group held the following financial instruments to hedge exposures to changes in foreign currency.

	Consolidated financial statements		
	Maturity		
	1-6 months	6-12 months	More than one year
	(in million Baht)		
At 31 December 2021			
Foreign currency risk			
Forward exchange contracts			
Net exposure *(in million Baht)*	-	50,807	6,787
Average USD: THB forward contracts	-	33.80	33.90

	Consolidated financial statements / Separate financial statements		
	Maturity		
	1-6 months	6-12 months	More than one year
	(in million Baht)		
At 31 December 2020			
Foreign currency risk			
Forward exchange contracts			
Net exposure *(in million Baht)*	60,697	2,718	-
Average USD: THB forward contracts	32.00	32.60	-

The amounts relating to items designated as hedging instruments were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Foreign currency risk at 31 December				
Forward exchange contracts				
- nominal amount	56,814	67,358	-	67,358
Carrying amount included in:				
- derivatives liabilities	876	(4,307)	-	(4,307)
Foreign currency risk for the year ended 31 December				
Recognised in other comprehensive income				
- changes in value of the hedging instrument	2,622	(4,307)	2,564	(4,307)
- hedging reserve transferred to investment in associate	-	4,699	-	4,699
- costs of hedging	(111)	-	-	-
Recognised in profit or loss				
- reclassified from hedging reserve and included in foreign exchange loss	(2,632)	(392)	(2,564)	(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			
	2021		2020	
Cash flow hedges - reserve foreign currency risk	Hedging reserve	Costs of hedging reserve	Hedging reserve	Costs of hedging reserve
	(in million Baht)			
Balances at 1 January	-	-	-	-
Change in fair value:				
- borrowings	2,637	(139)	392	-
- investment in associate	-	-	(4,699)	-
Amount reclassified to profit or loss:				
- borrowings	(2,632)	-	(392)	-
- tax on movements on reserve during the year	(15)	28	-	-
Amount included in cost of non-financial item:				
- investment in associate	-	-	4,699	-
Balances at 31 December	**(10)**	**(111)**	**-**	**-**

	Separate financial statements			
	2021		2020	
Cash flow hedges - reserve foreign currency risk	Hedging reserve	Costs of hedging reserve	Hedging reserve	Costs of hedging reserve
	(in million Baht)			
Balances at 1 January	-	-	-	-
Change in fair value:				
- borrowings	2,564	-	392	-
- investment in associate	-	-	(4,699)	-
Amount reclassified to profit or loss:				
- borrowings	(2,564)	-	(392)	-
Amount included in cost of non-financial item:				
- investment in associate	-	-	4,699	-
Balances at 31 December	**-**	**-**	**-**	**-**

35 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

36 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(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)	3,779	506	-	-
Total	**3,779**	**506**	**-**	**-**
Other commitments				
Short-term lease commitments	109	-	104	-
Unused letters of credit for purchase of goods and supplies	1,230	635	-	-
Other commitments	9	-	-	-
Total	**1,348**	**635**	**104**	**-**

Letters of guarantee

As at 31 December 2021 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 3,290 million and United States Dollars 0.3 million *(2020: Baht 1,877 million and United States Dollars 0.3 million).*

Significant agreements

As at 31 December 2021 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers ("licensees"). Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.

(d) A local subsidiary (Gosoft (Thailand) Co., Ltd.) has service agreements with local companies ("the parties"), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 month to 12 months, and will expire on various dates until March 2022.

(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 year 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 year 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 November 2024. 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.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

(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.

37 Events after the reporting period

37.1 At the Board of Directors' meeting of the Company held on 24 February 2022, 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 2021 of Baht 0.60 per share for 8,983 million ordinary shares, totaling Baht 5,390 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.

37.2 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) held on 18 February 2022, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval:

(a) to additional allocate profit to legal reserve amounted to Baht 318,616,175, totaling Baht 558,616,175 of reserve.

(b) to declare the dividends from the profit for the equity holders of the Company for the year 2021 of Baht 0.32 per share for 10,580 million ordinary shares, totaling Baht 3,386 million. The declaration of dividend payment must be approved by the shareholders' meeting of the subsidiary.

37.3 Local and foreign subsidiaries increased the authorised share capital and called for additional paid-up share capital. The processes of some subsidiaries had already completed in January 2022 and the remaining were expected to be completed in February 2022.

Notes to the financial statements

CP ALL Public Company Limited and its Subsidiaries

38 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2020 have been reclassified to conform to the presentation in the 2021 financial statements as follows:

	2020					
	Consolidated financial statements			Separate financial statements		
	Before reclassi-fication	Reclassi-fication	After reclassi-fication	Before reclassi-fication	Reclassi-fication	After Reclassi-fication
	(in million Baht)					
Statement of financial position as at 31 December						
Other current assets	201	22	223	163	22	185
Property, plant and equipment	120,199	(22)	120,177	39,069	(22)	39,047
Other current liabilities	968	(108)	860	-	-	-
Other non-current provisions	-	76	76	-	-	-
Rental deposits from tenants	-	32	32	-	-	-
		-			-	

These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

Attachment

Information of Directors and Executive

Adjunct Professor Prasobsook Boondech

76 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 1 Organization

- Independent Director, Siam Makro Public Co., Ltd.

Non-Listed Company -None-

5-Year Past Experiences and/or Remarkable Position

2011 - 2021 Legal Adviser, Thanachart Bank Public Company Limited

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, 2021)

- 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 2021

9 times out of 9 times

Police General Phatcharavat Wongsuwan

72 years old

Position

Independent Director

Chairman of Remuneration and Nomination Committee

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, 2021)

- 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 2021

9 times out of 9 times

Mr. Padoong Techasarintr

81 years old

Position

Independent Director
Chairman of Audit Committee
Sustainability and Corporate Governance Committee
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)

2021	IT Governance and Cyber Resilience Program (ITG)
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 1 Organization

- Independent Director and Chairman of the Audit Committee, Textile Prestige Public Co., Ltd.

Non-Listed Company 1 Organization

- Chairman of Audit Committee, Panyapiwat Institute of Management

5-Year Past Experiences and/or Remarkable Position

1994 – 2021	Independent Director and Chairman of the Audit Committee, Thanulux Public Co., Ltd.
1993 – 2021	Independent Director and Chairman of the Audit Committee, Lanna Resources Public Co., Ltd.
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.

(%) Shareholding (as at December 31, 2021)

- 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 2021

9 times out of 9 times

Mr. Pridi Boonyoung

83 years old

Position

Independent Director
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

- Chairman 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, 2021)

- 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 2021

9 times out of 9 times

Mrs. Nampung Wongsmith

63 years old

Position

Independent Director
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)

2021 IT Governance and Cyber Resilience Program (ITG)
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

- 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, 2021)

- 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 2021

9 times out of 9 times

Professor Dr. Kittipong Kittayarak

63 years old

Position

Independent Director

Appointment Date

October 12, 2021

Term of Office

First Term : October 12, 2021 – Present

Education

- Doctor of the Science of Laws (J.S.D.), Stanford University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholarship)
- Barrister-at-Law, Institute of Legal Education, Thai Bar Association
- Master of Laws (LL.M.), Cornell University, USA (Royal Thai Government Scholarship)
- Bachelor of Laws (Honors), Chulalongkorn University

Expertise

- Administration and Large Organization Management
- Research and Development
- International Competition
- Law and Case
- Security and Society

Training by the Thai Institute of Directors Association (IOD)

2015 Advance Audit Committee Program (AACP) 28/2015
2014 Director Accreditation Program (DAP) 112/2014

Board Member/Management in Other Company/Organization/Institution

Listed Company 4 Organizations

- Independent Director, Chairman of the Corporate Governance and Social Responsibility Committee and Member of the Compliance Committee, Krung Thai Bank Public Company Limited
- Independent Director / Nomination, Remuneration and Corporate Governance Committee, Dusit Thani Public Company Limited
- Independent Director, Charoen Pokphand Foods Public Co., Ltd.
- Independent Director and Audit Committee, True Corporation Public Co., Ltd.

Non-Listed Company 8 Organizations

- Chancellor, King Mongkut's Institute of Technology Ladkrabang
- Chairman, The Council of Bangkok University
- Vice Chairman and Member of Executive Committee, Friends in need (of "PA") Volunteers Foundation, The Thai Red Cross Society
- Executive Committee, Bajrakitiyabha Fund for Legal Education
- Director, Siriraj Piyamaharajkarun Hospital
- Director, Chakri Naruebodindra Medical Institute
- Director, Ramathibodi Foundation Under the Royal Patronage of His Majesty the King, Her Royal Highness Princess Maha Chakri Sirindhorn
- Deputy Chairman, The Legal Committee, Thai Red Cross Organ Donation Center

5-Year Past Experiences and/or Remarkable Position

2014 – 2021	Independent Director/Chairman of the Audit Committee, PTT Public Company Limited
2015 – 2021	Executive Director, Thailand Institute of Justice (Public Organization)
2008 – 2021	Member of the Board of Committee, Thai Bar under the Royal Patronage
2018 – 2020	Vice Chairman, Mahidol University Council
2009 – 2020	Committee, Mahidol University Council
2008 – 2014	Permanent Secretary, Ministry of Justice

(%) Shareholding (as at December 31, 2021)

- 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 2021

3 times out of 3 times

Mr. Soopakij Chearavanont

58 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 – April 23, 2021
Seventh Term	:	April 23, 2021 – Present

Education

- Honorary Degree, 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 4 Organizations

- Chairman, Charoen Pokphand Foods Public Company Limited
- Chairman, CP Pokphand Company Limited
- Chairman, Chia Tai Enterprises International Limited
- Non-executive Director, Ping An Insurance (Group) Company of China Limited

Non-Listed Company 11 Organizations

- Group Chairman, C.P. Pokphand Co., Ltd.
- Group Chairman, CPG Overseas (Zheng Da Group)
- Chairman, Chia Tai Investment Co., Ltd.
- Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman, Chia Tai Group (China)
- Chairman, C.P. Lotus Corporation
- 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.
- Director, SAIC Motor-CP Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2013 – 2016 Director, Siam Makro Public Company Limited

(%) Shareholding (as at December 31, 2021)

- 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 2021

9 times out of 9 times

Mr. Korsak Chairasmisak

69 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 – April 23, 2021
Ninth Term	:	April 23, 2021 – 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, Uttayarndham 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, 2021)

**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 2021

9 times out of 9 times

Mr. Suphachai Chearavanont

54 years old

Position

Vice Chairman
Authorized Director
Remuneration and Nomination Committee

Appointment Date

June 7, 2019

Term of Office

First Term	:	June 7, 2019 – April 23, 2021
Second Term	:	April 23, 2021 – 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, Ramkamhaeng 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 30 Organizations

- Senior Vice Chairman and Chief Executive Officer, Charoen Pokphand Group Co., Ltd.
- Chairman, Lotuss Stores (Thailand) Co., Ltd.
- 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
- Director, Magnolia Finest Corporation Limited
- Director, Asia Era One Company Limited
- Director, Freewill Solutions Company Limited
- Director, C.P. Retail Development Co., Ltd.
- Independent Director, SCG Chemical Co., Ltd.
- Chairman, Global Compact Network Thailand (GCNT)
- Director, Pracharath Rak Samakkee Social Enterprise (Thailand) Company Limited
- Director, Princess Sirivannavari Cultivated Arts Foundation
- 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
- 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
- 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

(%) Shareholding (as at December 31, 2021)

- Held personally -None-
- Held by spouse or minor children 0.00027

Family Relationship among Directors and Executives

Mr. Soopakij Chearavanont and Mr. Narong Chearavanont's brother

Attendance at the Board of Directors' Meeting during 2021

8 times out of 9 times

Mr. Adirek Sripratak

75 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 – April 23, 2021
Seventh Term	:	April 23, 2021 – 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 28 Organizations

- Chairman, CPF (Thailand) Public Co., Ltd.
- Chairman, CPF IT Center Co., Ltd.
- Chairman, C.P. Merchandising Co., Ltd.
- Vice Chairman, C.P. Pokphand Co., Ltd.
- Director, CPF Investment Ltd.
- Director, Bellisio Investment LLC.
- 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, 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 Development Co., Ltd.
- Director, Lotuss 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, 2021)

- 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 2021

9 times out of 9 times

Mr. Umroong Sanphasitvong

69 years old

Position

Director
Authorized Director
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 17 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.
- Member of the Institution Council, 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 Development Co., Ltd.
- Director, Lotuss Stores (Thailand) Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) Shareholding (as at December 31, 2021)

- 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 2021

9 times out of 9 times

Mr. Narong Chearavanont

56 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)

2021	Director Refreshment Training Program: Lessons Learnt from Financial Cases: How Board should React
2007	Director Accreditation Program (DAP)

Board Member/Management in Other Company/Organization/Institution

Listed Company 3 Organizations

- Director, Siam Makro Public Co., Ltd.
- Director, True Corporation Public Co., Ltd
- Director, C.P. Pokphand Co. Ltd

Non-Listed Company 42 Organizations

- Senior Vice Chairman Charoen Pokphand Group Co., Ltd.
- Chairman, Lotus's Foundation
- Chairman, Chia Tai C.P. Technology (Beijing) Co., Ltd.
- Chairman, Shanghai Zheng Yuan Computer Technology Co., Ltd.
- Co-Chairman and Executive Vice Chairman, C.P. Retail Development Co., Ltd.
- Director and Executive Vice Chairman True Visions Group Co., Ltd.
- Director, C.P. Land Company Limited
- Director, Siam Makro Holdings (Thailand) Limited
- Director, CP Social Impact Co., Ltd.
- Director, CP Future City Development Corporation Co., Ltd.
- Director, Retail Properties Co., Ltd.
- Director, The Iconsiam Chaopraya River Holdings Co., Ltd.
- Director, Siam River Holdings Co., Ltd.
- Director, Whizdom Assets Corporation Limited
- Director, Whizdom Society Development Corporation Co., Ltd.
- Director, Whizdom Landmark Corporation Limited
- Director, True CJ Creations Co., Ltd.
- Governance Committee, Leadership Development Institute
- Chairman, Charoen Pokphand Import-Export Trading (Shanghai) Co., Ltd.
- Director, OHT Company Limited
- Chairman, The ICONSIAM Superlux Residences Corporation Co., Ltd.

- Chairman, The ICONSIAM Residences Corporation Co., Ltd.
- Vice Chairman, SM True Company Limited
- Vice Chairman, The ICONSIAM Co., Ltd.
- Senior Executive Assistance to Senior Chairman Charoen Pokphand Group "Global talent recruitment"
- Director, Leadership Development Charoen Pokphand Group Co., Ltd.
- Director, Chia Tai Qingtao Holdings (Hong Kong) Company Limited
- Director, Chia Tai Xiangyang Holdings (Hong Kong) Company Limited
- Director, Chia Tai Qingtao Holdings Company Limited
- Director, Chia Tai Xiangyang Holdings Company Limited
- Vice Chairman, Marketing and Distribution Business (Thailand)
- Vice Chairman, Marketing and Distribution Business (China)
- Vice Chairman, Real Estate & Land Development Business (China)
- Vice Chairman, Shanghai Kinghill Co., Ltd.
- Director, Panther Entertainment Co., Ltd.
- Director, Cineplex Co., Ltd.
- Director, Satellite Service Co., Ltd.
- Director, CPPC Public Company Limited
- Director, Beston Action Utility Wear (Lianyungang) Co., Ltd.
- Senior Vice Chairman, CP Lotus Corporation Co., Ltd.
- Senior Vice Chairman, Chia Tai (China) Investment Company Limited
- Director, Lotus Distribution Investment Ltd.

5-Year Past Experiences and/or Remarkable Position

2008 – 2010 Director, True Visions Public Company Limited

(%) Shareholding (as at December 31, 2021)

- 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 2021

9 times out of 9 times

Mr. Prasert Jarupanich

73 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, 2021)

- 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 2021

9 times out of 9 times

Mr. Pittaya Jearavisitkul

66 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 17 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.
- Member of the Institution Council, 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.
- Director, C.P. Retail Development 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, 2021)

**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 2021

9 times out of 9 times

Mr. Piyawat Titasattavorakul

68 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 25 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.
- Member of the Institution Council, 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, Lotuss Stores (Malaysia) Sdn. Bhd.
- Director, C.P. Retail Development Co., Ltd.

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, 2021)

**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 2021

9 times out of 9 times

Mr. Tanin Buranamanit

58 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 – April 23, 2021
Fifth Term	:	April 23, 2021 – 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, 2021)

**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 2021

9 times out of 9 times

Mr. Yuthasak Poomsurakul

56 years old

Position

Managing Director (Co)

In charge of – Merchandising
– Marketing
– Purchasing
– Corporate Strategy
– Information Technology
– Sustainable Development

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)

2021 Director Certification Program (DCP) 311/2021

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, 2021)

**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

56 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, 2021)

**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. Wisade Wisidwinyoo

64 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, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00066*
- Held by spouse or minor children 0.00256

Family Relationship among Directors and Executives

-None-

Mr. Taweesak Kaewrathtanapattama

65 years old

Position

Member of Executive Committee

Senior Vice President – Accounting and Finance

Appointment Date

November 13, 2017 (Member of Executive Committee)

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)

Board Member/Management in Other Company/Organization/Institution

Listed Company -None-

Non-Listed Company 19 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.
- Member of the Institution Council, Panyapiwat Institute of Management

5-Year Past Experiences and/or Remarkable Position

2006 - 2021 Chief Finance Office, CP All Public Co., Ltd.

(%) Shareholding* (as at December 31, 2021)

**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

66 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, 2021)

**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

61 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, 2021)

**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. Kriengchai Boonpoapichart

53 years old

Position

Senior Vice President – Accounting and Finance

Chief Finance Office

Appointment Date

June 9, 2021 (Chief Finance Office)

Education

Master's Degree, MBA, International University of Japan

Bachelor of Accounting, Chulalongkorn University

Training by the Thai Institute of Directors Association (IOD)

2021 "Director Forum 2021" – GRC Through the Perfect Storm

2004 Director Certification Program (DCP52)

Continuing Professional Development Program

2021	How to Manage the Company's Finance & Accounting and Communicate with Stakeholders during COVID-19 Crisis (2 hours)
2021	Economic update for CFO (2 hours)
2021	The modern CFO: Driving Digital Transformation of the Finance and Accounting (2 hours)
2021	E-learning CFO's Orientation Course (12 hours)

Board Member/Management in Other Company/Organization/Institution

Listed Company -None-

Non-Listed Company 15 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.
- Director, C.P. Retail Development Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

2009 - 2018 Vice President, CP All Public Co., Ltd.

(%) Shareholding* (as at December 31, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00384*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Mr. Ampa Yongpisanpop

61 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, 2021)

*Included Employee Joint Investment Program (EJIP)

- Held personally 0.00097*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Mrs. Nipaporn Ackarapolpanich

59 years old

Position

Senior Vice President – Marketing

Education

- Bachelor's Degree, 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 1 Organization

- Director, MAM Heart Co., Ltd.

5-Year Past Experiences and/or Remarkable Position

-None-

(%) Shareholding* (as at December 31, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00038*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Mr. Thupthep Jiraadisawong

48 years old

Position

Senior Vice President – Operation

Education

- Master's Degree in Finance, University of Wollongong
- 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

2018 - 2021	Vice President – Operation 1, CP All Public Co., Ltd.
2016 - 2018	Assistant Vice President – Operation 2, CP All Public Co., Ltd.

(%) Shareholding* (as at December 31, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00050*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Mr. Wiwat Pongritsakda

58 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, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00037*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Mrs. Phaphatsorn Thanasorn

59 years old

Position

Vice President – Purchasing

Education

- 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, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00127*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Mr. Ronnakitt Pojamarnpornchai

54 years old

Position

Vice President – Accounting and Finance

Deputy Chief Financial Officer - Accounting Business Partner

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

2019	Vice President – Corporate Strategy, CP All Public Co., Ltd.
2016	Vice President – Managerial Accounting Group, CP All Public Co., Ltd.

(%) Shareholding* (as at December 31, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00116*
- Held by spouse or minor children 0.00042*

Family Relationship among Directors and Executives

-None-

Information of the Person Supervising Accounting

Ms. Aphaporn Wisitkamthorn

49 years old

Position

General Manager - Accounting Shared Services
Account Controller

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

2021	Different between the revenue from accounting and taxation (6.30 hours)
2021	Accounting Information Systems 1 (6.00 hours)
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, 2021)

**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

68 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, 2021)

**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 August 31, 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. Preparing and keeping the following documents;
   a. A register of directors
   b. Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and the Company's annual report
   c. Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting
2. 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
3. Perform any other acts as specified in the Notification of the Capital Market Supervisory Board
4. 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
5. Organize the Board of Directors' meeting and shareholders' meeting
6. Coordinate between the Company's internal units to ensure compliance with the resolutions of the Board of Directors and resolutions of the shareholders' meeting
7. 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
8. Organize orientation for newly appointed directors
9. Perform other duties as assigned by the Company

Detail of the Directors of Subsidiaries

Local Subsidiaries

	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
Adj. Prof. Prasobsook Boondech															/												
Pol. Gen. Phatcharavat Wongsuwan																											
Mr. Padoong Techasarintr																											
Mr. Pridi Boonyoung																											
Mrs. Nampung Wongsmith																											
Prof. Dr. Kittipong Kittayarak																											
Mr. Soopakij Chearavanont																											
Mr. Korsak Chairasmisak						X, //			//				X, //	X, //	//												
Mr. Suphachai Chearavanont															//									//	X, //		
Mr. Adirek Sripratak															//									//	//		
Mr. Umroong Sanphasitvong						//			//				//	//	//									//	//		
Mr. Narong Chearavanont													//	//	//									X, //			
Mr. Prasert Jarupanich															//												
Mr. Pittaya Jearavisitkul	X, //	X, //	X, //	X, //	X, //	//	X, //		//		X, //	X, //	//	//	//	X, //						//		//			
Mr. Piyawat Titasattavorakul	//	//	//	//	//	//	//	//	//	X, //	//	//	//	//	//	//						//		//			
Mr. Tanin Buranamanit												//															
Mr. Yuthasak Poomsurakul																	//										
Mr. Wisade Wisidwinyoo	//																//										
Mr. Taweesak Kaewrathtanapattama	//	//	//	//	//	//	//	//	//		//	//	//	//		//	//					//					
Ms. Lawan Tienghongsakul							//				//																
Mr. Kriengchai Boonpoapichart	//	//	//	//	//		//	//			//	//				//						//	//	//			
Mr. Ampa Yongpisanpop																//											
Mrs. Nipaporn Ackarapolpanich					/																						
Mr. Wiwat Pongritsakda				//																							

Foreign Subsidiaries

	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
Adj. Prof. Prasobsook Boondech																									
Pol. Gen. Phatcharavat Wongsuwan																									
Mr. Padoong Techasarintr																									
Mr. Pridi Boonyoung																									
Mrs. Nampung Wongsmith																									
Prof. Dr. Kittipong Kittayarak																									
Mr. Soopakij Chearavanont																									
Mr. Korsak Chairasmisak	X, //						//																		
Mr. Suphachai Chearavanont																									
Mr. Adirek Sripratak																									
Mr. Umroong Sanphasitvong	//																								
Mr. Narong Chearavanont	//																								//
Mr. Prasert Jarupanich																									
Mr. Pittaya Jearavisitkul																									
Mr. Piyawat Titasattavorakul																									//
Mr. Tanin Buranamanit																									
Mr. Yuthasak Poomsurakul																									
Mr. Wisade Wisidwinyoo																									
Mr. Taweesak Kaewrathtanapattama					//																				
Ms. Lawan Tienghongsakul																									
Mr. Kriengchai Boonpoapichart																									
Mr. Ampa Yongpisanpop																									
Mrs. Nipaporn Ackarapolpanich																									
Mr. Wiwat Pongritsakda																									

List of Subsidiaries as at end of Year 2021

Local Subsidiaries
1. CPRAM Co., Ltd.
2. Counter Service Co., Ltd.
3. CP Retailink Co., Ltd.
4. Gosoft (Thailand) Co., Ltd.
5. MAM Heart Co., Ltd.
6. Suksapiwat Co., Ltd.
7. Panyatara Co., Ltd.
8. Thai Smart Card Co., Ltd.
9. Panyapiwat Institute of Management
10. Panyapiwat Technological College
11. All Training Co., Ltd.
12. All Corporation Limited
13. OHT Co., Ltd.
14. Siam Makro Holding (Thailand) Ltd.
15. Siam Makro Public Company Limited
16. 24 Shopping Co., Ltd.
17. CP Foodlab Co., Ltd.
18. Panyapiwat Institute of Management Demonstration School
19. Siam Food Services Limited
20. Makro ROH Co., Ltd.
21. ProMart Co., Ltd.
22. ALL Wellness Co., Ltd.
23. ALL GUARDIAN CO., LTD.
24. C.P. Retail Development Company Limited
25. Lotus's Stores (Thailand) Co., Ltd.
26. Ek-Chai Distribution System Co., Ltd.
27. Lotus's Mobile (Thailand) Co., Ltd.

Foreign Subsidiaries
28. Lotus Distribution Investment Limited
29. Successor Investments Limited
30. Nanjing Zheng Yi Xin Trading Co., Ltd.
31. Successor (China) Investments Limited
32. Albuera International Limited
33. Nanjing Tianqu Investment Management Co., Ltd.
34. Nanjing Tech University Puijang Institute
35. Nanjing Tech University Pujiang Institute Educational Development Fund
36. Indoguna Vina Food Service Co., Ltd.
37. Aro Co., Ltd.
38. Makro Cambodia Company Limited
39. CP Wholesale India Private Limited
40. Indoguna (Singapore) Pte Ltd
41. Indoguna Dubai L.L.C.
42. Just Meat Company Limited
43. Indoguna Lordly Company Limited
44. Makro (Guangzhou) Food Company Limited
45. MAXZI THE GOOD FOOD RESTAURANT & CAFÉ L.L.C.
46. Indoguna (Cambodia) Company Limited
47. Aro Commercial Company Limited
48. Guangzhou Huada Makro Food Supermarket Company Limited
49. CP ALL (Cambodia) Co., Ltd.
50. ALL Convenience Logistic Co., Ltd.
51. CP ALL Laos Co., Ltd.
52. Lotuss Stores (Malaysia) Sdn. Bhd.

Remark : X = Chairman
/ = Director
// = Authorized Director

Information of the Head of Internal Audit

Mr. Kidsada Euapiyachart

69 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, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00066*
- Held by spouse or minor children 0.00001

Family Relationship among Directors and Executives

-None-

Information of the Head of Compliance Unit

Ms. Walainoot Kattirat

39 years old

Position

Compliance

Assistant Department Manager - Legal Compliance

Appointment Date

April 1, 2021 (Compliance)

Education

- Attorney at Law License, Lawyers Council Under the Royal Patronage
- Barrister's Certificate, The Thai Bar Under The Royal Patronage
- Bachelor's Degree in Law, Chiang Mai 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	Assistant Department Manager - Legal and Regulation, CP All Public Co., Ltd.

(%) Shareholding* (as at December 31, 2021)

**Included Employee Joint Investment Program (EJIP)*

- Held personally 0.00008*
- Held by spouse or minor children -None-

Family Relationship among Directors and Executives

-None-

Assets Used in Business Operations and Details about Property Appraisal Items

Assets Used in Business Operations

Fixed Assets

As of December 31,2021, fixed assets of the Company and subsidiaries that used in business operations are as follows;

Fixed Assets	Net Book Value (Million Baht)
Land	67,041
Buildings and building improvements and right-of-use asset improvements	91,099
Machinery and equipment	19,977
Furniture, fixtures and office equipment	19,503
Assets under construction and installation	8,407
Other fixed assets	5,506
Total fixed assets	**211,533**

The Company's fixed assets with total net book value of Baht 14,756 million were pledged under long-term borrowings from financial institutions.

Intangible Assets

As of December 31,2021, intangible assets of the Company and subsidiaries that used in business operations are as follows;

Intangible Assets	Net Book Value (Million Baht)
Good will	360,641
Other intangible assets	51,115

Most of the goodwill and other intangible assets arose from the subsidiary (Siam Makro Public Company Limited) completed the entire business transfer transaction of C.P.Retail Holding Company Limited which invested in retail business operating under "Lotus's" trademark in Thailand and Malaysia, and the purchase of common shares in Siam Makro Public Company Limited.

Other intangible assets consist of assets with definite useful lives which are computer software and customer base. The estimated useful lives are 1-15 years. Other intangible assets with indefinite useful lives are intellectual property and business licenses. Other intangible assets are measured at cost less accumulated impairment losses. The Company will test the impairment of such assets on a quarterly basis.

Right of Use Assets

As of December 31,2021, 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	34,216
Buildings	40,056
Machinery and equipment	1,750
Furniture, fixtures, and office equipment	517
Vehicles	727
Total right of use assets	**77,266**

According to the TFRS 16 lease accounting policy in effect from January 1, 2020, the Company stipulates that the Company will recognize assets, rights of use, and lease liabilities on the date the lease becomes effective. Except for leases in which the asset is low in value or short-term, it is recognized as an expense on a straight-line basis over the term of the lease. Right-to-use assets are measured at the cost net of accumulated depreciation and accumulated impairment losses.

Investment in Subsidiaries, Associate and Joint Ventures Policy

The Company has an investment policy to invest in wholesaling, retailing, and related businesses. The investment considerations 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 associates in order to control and manage as well as 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, 2021, the Company has investments in subsidiaries in the amount of Baht 281,357 million or 67.12 percent of total assets from the separate financial statements.

The Company and its subsidiaries have investments in associates totaling Baht 9,139 million, and investment in joint ventures of Baht 4,875 million or 1.5 percent of total assets from the consolidated financial statements.

Details of Assets Appraisal

In the fiscal year 2021, none of the Company's asset has been appraised.

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. Business Ethics and Code of Conduct
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

Reports of Sub-Committees of year 2021 are 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 of four directors, three of which are independent directors namely 1. Adjunct Prof. Prasobsook Boondechas, as the Chairman of the Sustainability and Corporate Governance Committee, 2. Pol. Gen. Phatcharavat Wongsuwan, as the committee member, 3. Mr. Padoong Techasarintr, as the committee member, and one of which is an executive director namely Mr. Umroong Sanphasitvong. Mr. Supot Shitgasornpongse, the Company's Secretary, serves as the Secretary of the Sustainability and Corporate Governance Committee. In addition, the Corporate Governance Sub-Committee and Sustainable Development Sub-Committee are 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 2021, 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 shall be reported to the Board of Directors every six months and significant matters can be summarized as follows :

1. Approval of the Implementation of the Corporate Governance Policy and the Anti-Corruption Policy of 2021.

The Sustainability and Corporate Governance Committee approved the implementation of the Corporate Governance Policy and the Anti-Corruption Policy of 2021 provided by the Sub-Committee to achieve the excellent rating from an international institution.

2. Approval of the Goal and the Sustainability Development Plan from 2021 to 2030

The Sustainability and Corporate Governance Committee approved the goal and the sustainable development plan from 2021 to 2030 prepared by the Sub-Committee and provided recommendations to design the plan on a yearly basis.

3. Approval of the Implementation of the Anti-Corruption Policy and Relating Practice.

The Sustainability and Corporate Governance Committee approved the implementation of the Anti-Corruption Policy and relating practices to promote clarity and ensure pragmatic results.

4. 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, including the following matters.

1. Progress on the sustainability works performed in 2021 and the plan toward 2030.
2. CG-Self-Assessment 2021 of the Company's executive and the Company's subsidiaries.
3. Progress on the compliance in relation to the Personal Data Protection Act.
4. Progress on the data governance that it has duly organized.
5. Progress on the cybersecurity matter including cyber ethics as a guideline for the Company to acknowledge and adopt.

6. Amendment of culture in a working place to comply with relevant laws, rules, and regulations through various training, observation, and a quarter report.
7. 7 Go Green Strategy and relating sustainability project.
8. Report of relationship with the communities and rescue service team.
9. Encouraged the SME business partners to join the CAC member in accordance with the DJSI.
10. Communicated and encouraged employees to adopt the policies of good governance, anti-corruption, and social and environmental sustainability development.
11. Arranged training and conducted tests for good governance, anti-corruption, and corporate sustainability development.
12. Reviewed and resolved complaints relating to good governance and anti-corruption policies, internal corruption inspection, and social and environmental issues.
13. Announced employees' good deeds and virtues in the Company's Hall of Fame.
14. Corporate governance performance of the Company's subsidiaries including All Now Logistics Co., Ltd., All Now Management Co., Ltd., Counter Service Co., Ltd., Gosoft (Thailand) Co., Ltd., Panyapiwat Institute of Management, and Panyapiwat Institute of Management Demonstration School
15. Sustainability performance of CPRAM Co., Ltd.
16. Received of CAC Change Award from the CAC.
17. Report of CP ALL shares held by the Company's directors and management.

5. Acknowledgement of Survey of Corporate Governance Report of Listed Companies in Thailand in 2021.

The Sustainability and Corporate Governance Committee acknowledged survey of corporate governance report (CGR) of listed companies in Thailand in 2021 arranged by IOD which the Company received an excellent assessment for the third year in a row. The Company was also categorized in the top quartile of companies with a market capitalization of more than THB10,000 million.

6. Acknowledgement of Being Chosen to Join the FTSE4Good Index 2021.

The Sustainability and Corporate Governance Committee acknowledged that the Company was chosen to join the FTSE4Good Index 2021 in Food Retailers & Wholesalers Industry by FTSE Russel, for the fourth consecutive year, and was also in the top 5 of the highest rank.

7. Acknowledgement of the Score of 2021 Annual General Shareholder Meeting's Quality Assessment.

The Sustainability and Corporate Governance Committee acknowledged the score of 2021 Annual General Shareholder Meeting's quality assessment, conducted by Thai Investors Association, which the Company received full score, higher than the previous year.

8. Acknowledgement of Being Chosen to be in the List of Thailand Sustainability Index 2021.

The Sustainability and Corporate Governance Committee acknowledged that the Company was chosen to be on the list of Thailand Sustainability Index 2021 of Service Industry for the fourth consecutive year since 2018.

9. 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 2021 which received an excellent score of 98 percent showing that the Sustainability and Corporate Governance Committee has performed all assigned duties in accordance with the duty in the Charter.

The Sustainability and Corporate Governance Committee prioritize the issues of corporate governance and responsibility toward society, communities, and environment, as this shall ensure 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. The Committee is committed to promoting and developing the organization for greater efficiency while working upon the basis of transparency, ethics, benefits of the society, reduction of negative environmental impact, and being responsible 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 14, 2022

Report of the Remuneration and Nomination Committee

CP All Public Company Limited's Remuneration and Nomination Committee independently performed its duties 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 2021, the Remuneration and Nomination Committee convened 3 meetings in which all 3 directors attended. 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 an individual with qualifications appropriate to be appointed as the director and in line with the Company's business strategy of Board Skill Matrix. The consideration was based upon professional qualifications, skills, age, gender, race, religion, origin, experiences, knowledge, expertise from diverse occupations and specific competencies including performance as the director in the past. Only a member of the committee who has no interest shall be entitled to consider the candidate directors in replacement of those whose term of office has ended. The committee appointed 5 directors who will be retired since the Annual General Meeting of Shareholders 2021. The Board of Directors approved the proposal, and it was of the opinion that the Meeting of Shareholders for year 2021 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 an opportunity to nominate candidate directors during September 28 and December 31, 2020, 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 2021. The Board of Directors approved the proposal of the Remuneration and Nomination Committee on February 22, 2021. Then, the Annual General Meeting of Shareholders dated April 23, 2021, approved to appoint of five directors who retire by rotation to be directors of the Company for another term.

Considering knowledge, capability, experience, expertise, and qualification in compliance with the Company's regulation and the Charter of the Remuneration and Nomination Committee, the Remuneration and Nomination Committee nominated Adjunct Professor Dr. Kittipong Kittayarak as the Company's independent director to the Board of Directors, prior to the Extraordinary General Meeting of the Shareholders, to enhance the Company's capability and growth in Thailand and abroad. The appointment also resulted in an increase of independent director proportion in accordance with good corporate governance policy. The nomination of Adjunct Professor Dr. Kittipong Kittayarak as the Company's

independent director was approved by the Board of Directors on August 31, 2021, and by the Extraordinary General Meeting of the Shareholders' resolution on October 12, 2021.

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 2021 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 proposed the Director's remuneration in 2021 at the same rate as approved by the Annual General Shareholder Meeting for the year 2020 to the Board of Directors Meeting for consideration as appropriate before proposing to the Annual General Shareholder Meeting for the approval respectively. The Annual General Shareholder Meeting for the year 2021 was approved Director's remuneration as proposed by the Board of Directors of the Company on April 23, 2021.

The Nomination and Remuneration Committee has considered the 2021 monthly remuneration and gratuity of the Chairman of the Executive Committee, the Managing Director, and the Chief Executive Officer by considering the conformity with the leading companies on large scale in Thailand as well as leading retail companies 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 Directors. Not only the abovementioned 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 satisfaction and return to shareholders were equipped. Furthermore, to determine the 2021 gratuity, the Nomination and Remuneration Committee were incorporated additional factors to MIP in relation to the criteria of member selection of DJSI in accordance with sustainability development context.

3. Implementation of the Succession Planning

The Remuneration and Nomination Committee has considered and acknowledged implementation of the succession planning of senior executives to assure that the Company shall have successors for senior executives and leaders to sustain business growth. The plan has been arranged by taking into consideration risk management in terms of human resource management, including the personnel improvement, to prepare for future senior executives through a systematic and continuous improvement process.

4. Amendment of the Remuneration and Nomination Committee's Charter

The Remuneration and Nomination Committee has amended the Charter of the Remuneration and Nomination Committee to be in line with the Guideline of the Board of Directors' role for Business Sustainability Strategy (ESG part) issued by the Thai Institute of Directors Association (IOD) and the Corporate Governance Code for Listed Companies issued by the SEC. The amendments were power of the Committee, composition, qualification, skill development planning, meeting, and issuing of the performance report. The Company's Board of Directors approved the amendment on May 12, 2021.

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

According to the Remuneration and Nomination Committee's Performance in 2021, in comparison with the Charter, it could be summarized that the Remuneration and Nomination Committee outstandingly performed its duties 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, 2022

Report of the Executive Committee

The Executive Committee, appointed by the Board of Directors, consists of 9 members, five of which are the Company's directors namely 1. Mr. Korsak Chairasmisak, as the Chairman of Executive Committee, 2. Mr. Pittaya Jearavisitkul, as the Vice Chairman of Executive Committee, 3. Mr. Piyawat Titasattavorakul, as the Vice Chairman of Executive Committee, 4. Mr. Umroong Sanphasitvong, and 5. Mr. Tanin Buranamanit, and the others are executives of the Company and its subsidiaries namely 1. Mr. Wisade Wisidwinyoo, 2. Mr. Taweesak Kaewrathtanapattama, 3. Mr. Vichien Chuengviroj, and 4. Ms. Lawan Tienghongsakul. Mr. Supot Shitgasornpongse, the Company's Secretary, serves as the Secretary of the Executive Committee.

The Executive Committee performed its duties and responsibilities within the scope specified by the Board of Directors. In 2021, the Executive Committee held a total of 15 meetings, 12 of which were general monthly meetings, and the other three were special meetings. Each meeting was attended by executives of the Company and its subsidiaries including the Company's advisors, with the objectives of reporting 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. Considered the 2022 objectives, business targets, visions, missions, strategies and plans for the Company and its subsidiaries, including considering the 2022 budget of the Company and its subsidiaries for normal operation and investment in new projects prior to submitting to the Board of Directors for approval.
2. Considered performance of the Company and its subsidiaries on a monthly and quarterly basis and progress of any investment. Acknowledged performance reports including any problems or issues that occurred and provided recommendations for improvement to enhance operational efficiency.
3. Considered monthly reports on risk management and countermeasures, covering both existing and potential risks such as business risks, emerging risks, sustainability risks, the risk from the outbreak of COVID-19, cyber security risk, impact on business continuity (BCM), and restoration plan for economic loss due to COVID-19 pandemic, before presenting to the Board of Directors for consideration every six months.
4. Considered an investment made by the Company and its subsidiaries which the value exceeds THB 200 million. An investment which value is less than THB 500 million will be submitted to the Chairman of the Executive Committee for approval, and an investment which is valued more than THB 500 million will be submitted to the Board of Directors for approval.
5. Considered and approved a 10-year extension of term to the Franchise Agreement of 7-Eleven stores located in PTT stations nationwide executed with PTT Oil and Retail Business Public Company Limited (PTTOR).
6. Considered and approved the additional issuance and offering of bonds up to THB 100,000 million to reduce the existing exchange rate risk and increase flexibility in management of interest rate risk, provided that the bonds to be issued together with the previous issuance and offering bonds shall not exceed THB 295,000 million. The issuance and offering of bonds shall be further approved by the Board of Directors and the Shareholders' meeting.
7. Considered and approved the restructuring in merchandise distribution and storage in order to reduce operating costs and to improve resource efficiency.
8. Considered and approved the connected transaction which is the disposal of shares in All Now Management Co., Ltd. held by the Company to a related party to enhance the Company's competitiveness in the logistics sector, before presenting to the Audit Committee and the Board of Directors for approvals.

9. Considered and approved the connected transaction which is the purchase of shares in Egg Digital Co., Ltd. from a related party to enhance the Company's capability in digital marketing and 5G and 6G technologies, before presenting to the Audit Committee and the Board of Directors for approvals.
10. Considered and approved the acquisition of assets in relation to the acceptance of the entire business transfer of C.P. Retail Holding Company Limited by Siam Makro Public Company Limited, the Company's subsidiary, which the transaction was considered as the transaction on asset acquisition and disposition pursuant to SEC's regulations and as a connected transaction of listed companies.

    In addition, the committee also considered and approved selling of certain shares in Siam Makro Public Company Limited to the public (Public Offering). The capital raised from the offering was intended to repay loans, make an investment, use as working capital, and increase free float of shares in the capital market. The transaction shall be presented for approvals from the Audit Committee, the Board of Directors, and the shareholders' meeting, and comments of independent financial advisor shall be provided, pursuant to SEC's regulations in relation to the transaction on asset acquisition and disposition and a connected transaction.
11. Considered and acknowledged the following rewards:
    a. 5-Star rating or excellent performance from the Corporate Governance Survey of Thai Listed Companies (CGR) for the year 2021 conducted by the Thai Institute of Directors Association (IOD);
    b. Being selected to join FTSE4Good Index 2021 in Food Retailers & Wholesalers Industry, for the fourth consecutive year; and
    c. Being selected to join Dow Jones Sustainability Indices (DJSI) World 2021 in Food & Staples Retailing Industry, for the fourth consecutive year, and DJSI Emerging Market Index, for the fifth consecutive year.
12. Considered and acknowledged the 2021 minutes of the Board of non-executive directors for implementation of the Company's and its subsidiaries' performance.
13. Acknowledged the 2021 self-assessment score of the Executive Committee which 90 percent was assessed excellent, and 10 percent was assessed well, better than last year's evaluation.

On behalf of the Executive Committee

(Mr. Korsak Chairasmisak)
Chairman of the Executive Committee
January 25, 2022

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 oversee the risk management of the organization as well as business continuity management. The Company considers that everyone, including the board of directors, managers, and employees, owns risk and, therefore, is responsible to study, analyze, and evaluate 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 various 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.

The Company shall 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 the risk management committee as the sub-unit of the corporate strategy committee consisting of representatives from various departments which are corporate strategy, budget, human resources, sustainability, and risk management to evaluate the corporate strategic plan and other risk management plans for the maximum efficiency. Risk score has also been brought to evaluate risk management capability of each department and to further improve the system quarterly. Moreover, there is the Risk Score Clinic, an online platform for exchanging knowledge to improve the score. A department that continuously achieves good performance will be 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.

A seminar is organized for risk managers, or Risk Champions, every quarter to raise 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, approximately 500 people participated in these risk management seminars.

The risk management committee, consisting of personnel of various expertise such as public relations, store operation, legal, human resources, store location, cybersecurity, data privacy, general affair, occupational safety and health, and environment, is set up to monitor and assess any internal and external changes which might be risky or affect the Company's operation.

In the event of urgency or significant change, the risk management department shall review the situation with the Risk Management Committee to define important control measures and report as a special agenda to the Executive Committee 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 three independent directors who are knowledgeable and experienced in various sectors such as legal, management, finance and accounting, tax, and economic, which this knowledge shall support the Audit Committee to perform their duties efficiently. The Audit Committee members, having the composition and qualifications in accordance with the regulations of the Stock Exchange of Thailand, comprising of Mr. Padoong Techasarintr, as the Chairman of the Audit Committee, Mr. Pridi Boonyoung and Mrs. Nampung Wongsmith, as committee members, and Mr. Kidsada Euapiyachart, Vice President – Internal Audit, as the secretary of the Audit Committee.

The Audit Committee has performed its duty independently in accordance with the roles and responsibilities as stated in the Audit Committee's Charter which followed the best practice of the Audit Committee as well as requirements of the Securities and Exchange Commission Thailand. This was to ensure that the Company's operations have been 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 all shareholders and stakeholders. The Audit Committee received good cooperation from the Company's Management and both internal and external auditors.

In 2021, the Audit Committee held a total of 12 meetings, and all members of the Audit Committee attended every meeting. These meetings were held with the internal auditors, and sometimes with the external auditors, the Management of the Financial and Accounting Department and the Operation Department. The Audit Committee reported its performance to the Company's Board of Directors every three months, and the performance in 2021 can be summarized as follows:

1. Reviewed the quarterly and annual consolidated financial statements of the Company and its subsidiaries for the year 2021 to consider the financial reports, the disclosure of information in the notes to financial statements, special transactions, accounting revision and 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 to ensure the independence and to consider measures relating to internal control system of internal auditors which shall be further brought into action by the management. The external auditors unconditionally expressed their opinions and no significant observation pertaining to accounting and finance was made. The external auditors had freedom and received good cooperation while carrying out their duties.

   The Audit Committee had an opinion that the financial statements were accurate according to the accounting standards, complete, and sufficiently and timely disclosed for the benefits of the shareholders and users of the financial statements.

2. Reviewed and revised the adequacy and appropriateness of the internal control system of the Company and its subsidiaries by considering from the monthly audit report of internal auditors to assess the internal control system, risk management, corporate governance, and creditability of the financial reports. Monitoring and solving issues according to internal auditors and financial auditors' recommendations as preventive measures. The Audit Committee reviewed and approved an annual plan which embedded the Company's business strategic direction and corporate risks in connection with the Company's strategic growth. The Audit Committee also provided suggestions for the benefit of the Company's internal control system and employee development amid globalization.

The Audit Committee opined 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 related transactions and/or transactions which might cause a conflict of interest that they were justifiable and yielded the highest benefits to the Company and its shareholders and that they were approved by authorized persons who have no conflict of interest as per the Company's policy. This included observations to ensure that the Company had policies relating to conflict of interest and that disclosure of information and operation complied with relevant laws and regulations of the Securities and Exchange Commission. In addition, the Audit Committee emphasized internal auditors to review related transactions made among the Company, its subsidiaries, and the related parties and to report those transactions to the Audit Committee and the Board of Directors every quarter.

   The Audit Committee agreed that the related transactions and/or the transactions which might cause conflicts of interests were transparent, fair, and generated the utmost benefits to the Company and its shareholders and were executed at arm's length basis. In addition, the complete and sufficient disclosure of information and connected transactions in accordance with the laws 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 to assess risks covering all aspects, both internal and external factors. The Risk Management Committee also established preventive measures to mitigate potential impacts and keep them to an acceptable level, as well as setting up 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. In 2021, the Company expanded risk management to risks from cybersecurity which it also implemented preventive plan and closely monitored the situation. From the occurrence of the COVID-19 pandemic, the Company assessed the situation and the risks that may arise from time to time. In addition, the operational guidelines were set in accordance with the government measures such as the social distancing measure. The Company further adjusted its business strategy according to the rapidly changing situation and explored the business opportunities from this crisis so that the operation was 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, 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 well established the Compliance Unit in order to observe that the Company's operation shall comply with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, the Revenue Code, the Personal Data Protection Act, and all relevant laws which are essential for the Company's business including the Anti-Corruption Guideline. According to the review, the Company's operation was fully conformed with all such relevant laws.

6. 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 ethics in order to enhance confidence of the shareholders and stakeholders. The Corporate Governance Committee was appointed to drive the sustainability and governance process for more efficient and effective execution. In the 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 would fairly consider and screen complaints for all parties as well as have protection measures by keeping the information of the whistleblower confidential. The Company also participated in the anti-corruption program arranged by the Collective Action Coalition Against Corruption (CAC) which it received the renewed certification of Thailand's Private Sector Collective Action Coalition Against Corruption for the first time on June 30, 2020. Additionally, it was the second year that the Company successfully encouraged its 37 business partners to join the Small and Medium Enterprises (SME) certification program of the CAC. Following such success, the Company received the CAC Change Agent Awards for its commitment in transparency and encouraging SME suppliers to participate in the Thai business sector's efforts to combat corruption.
7. The Audit Committee conducted an annual review of their works and self-evaluation according to the good corporate governance principles of the Stock Exchange of Thailand. As per the evaluation result, the Audit Committee efficiently 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.
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. The auditor selection was approved at the shareholders' meeting, and Mr. Charoen Phosamritlert, Mr. Veerachai Ratanajaratkul, and Ms. Munchupa Singsuksawat of KPMG Phoomchai Audit Ltd. were appointed as the Company's external auditors for the year 2022 with the total fee 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 in working to achieve the goals professionally. They have been working efficiently with transparency and accountability. The risk management, the policy of good corporate governance as well as the internal control systems were appropriate and justifiable.

On behalf of the Audit Committee

(Mr. Padoong Techasarintr)
Chairman of the Audit Committee
January 28, 2022

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