

AFF025/2007

November 14, 2007

Re: Notification of the Resolutions of the Board of Directors' Meeting No. 5/2007  
CP ALL Public Company Limited

To: The President  
The Stock Exchange of Thailand

The Board of Directors' Meeting of CP All Public Company Limited (CPALL or the Company ) has resolved in the meeting No.5/2007 held on November 14, 2007, 2:00-5:00 pm at the True Tower Board Room, 34/F, Ratchadapisek Road, Huai Khwang, Bangkok and the significant resolutions are as follows:

1. Acknowledged the resignation of Mr. John Sian-Zu Lin, Director and approved for the amendment of authorized signatories as follows:  
“ Mr. Korsak Chairasmisak or Mr. Pittaya Jearavisitkul or Mr. Piyawat Titasattavorakul anyone of those three directors jointly sign with anyone of these five directors who are Mr. Soopakij Chearavanont or Mr. Umroong Sanphasitvong or Mr. Narong Chearavanont or Mr. Prasert Jarupanich or Mr. Adirek Sripratak with the Company's seal affixed.
2. Approved for interim financial statement for the period ended September 30, 2007 and acknowledged the effect of change in accounting policy by starting from 1 January 2007 , the Company adopted the change in accounting treatment for its investment in subsidiary and associated companies to record such investment using the cost method instead of the equity method in the separate financial statements. The change in accounting treatment was applied retrospectively and the separate financial statements for the three-month and the nine-month period ended 30 September 2007, which are included in the interim financial statement for the three-month and nine-month period ended 30 September 2007, for comparative purposes, were restated accordingly.

(in million Baht )		2007
<b>Income Statement</b>	Jul- Sep	Jan-Sep
For 3 and 9 months period ended 30 September 2007		
Net profit before restatement	382	1,259
Dividend received from subsidiary companies	9	198
Decrease in share of net profit from investment (equity)	(180)	(405)
Increase in share of net loss from investment (equity)	<u>312</u>	<u>781</u>
Net profit after restatement	<u>523</u>	<u>1,833</u>
Increase in net profit	141	574
Increase in earning per share (Baht)	0.03	0.13

In addition, the change in accounting policy has resulted in a difference of the reported net profits between the separate financial statement for the three-month and nine

month period ended 30 September 2007 and 2006 after restatement; and the consolidated financial statements for the same period of each year. The difference of each period is reconciled as below:

(in million Baht )	2007	2006
<b>Income Statement</b>		
For 3 months period (July – September)		
Net profit reported in separate financial statement	446	523
Dividend received from subsidiary companies	(15)	(9)
Share of loss from the investment accounted for using the equity method, net	(168)	(132)
<b>Net profit reported in consolidated financial statements</b>	<u>263</u>	<u>382</u>

**Income Statement**

For 9 months period (January-September)		
Net profit reported in separate financial statement	1,971	1,833
Dividend received from subsidiary companies	(295)	(198)
Reverse loss from sale of investment in sub.co.(cost)	44	
Profit from sale of investment in sub.co.(equity)	4	
Share of loss from the investment accounted for using the equity method, net	(611)	(376)
<b>Net profit reported in consolidated financial statements</b>	<u>1,113</u>	<u>1,259</u>

However, the change of accounting policy affected only the separate financial statements. It did not have any effect on the consolidated financial statements or business fundamentals.

3. Approved the entering into the connected transaction between C.P. Retailing and Marketing Co.,Ltd. (CPRAM) which is the Company's wholly owned subsidiary and K.S.P. Equipment Co.,Ltd. (KSP) regarding the engagement to be a contractor for constructing an education building and an employee dormitory in the food factory located at Ladlumkaew, Patumthani. Transaction size is Baht 89.45 million and the details appeared in Disclosure of Information and Acts of Listed Companies concerning the Connected Transaction enclosed herewith.
4. Approved the connected transaction regarding compensation charge from the receipt of financial assistance of Shanghai Lotus Supermarket Chain Store Co.,Ltd.(SLSC), CPALL's subsidiary, from Chia Tai International Finance Co., Ltd. (CTIF) and from Charoen Pokphand Group Company Limited (CPG). Transaction size is the guarantee fee amounting of approximately Baht 13 million and Baht 5 million per annum respectively. The details regarding Disclosure of Information and Acts of Listed Companies concerning the Connected Transaction enclosed herewith.

Please be informed accordingly.

Sincerely yours,

(Mr. Kriengchai Boonpoapichart)  
Head of Finance and Investor Relations  
Authorized to sign on behalf of the Company

**CP ALL Public Company Limited**  
**Disclosure of Connected Transaction Regarding the Engagement of being a Contractor for Constructing an Education Building and an Employee Dormitory of a Subsidiary Company**

The Board of Directors' meeting of CP All Plc. (CPALL or the Company) No. 5/2007, held on November 14, 2007 has resolved in the meeting that C.P. Retailing and Marketing Co.,Ltd. (CPRAM), the Company's wholly owned subsidiary, agreed to engage K.S.P. Equipment Co.,Ltd. (KSP) considered as a connected person to be a contractor for constructing an education building and an employee dormitory located at Ladlumkaew, Patumthani. The Company, therefore, would like to disclose information of the connected transaction as follows:

**1. Date of transaction**

November 2007

**2. Related parti**

Employer : CPRAM  
Contractor : KSP

**3. Engagement Term**

November 2007 – May 2008

**4. Size of transaction**

Baht 89.45 million (including VAT)

**5. Relationship with the company**

Major shareholder of KSP is Charoen Pokphand Group Company Limited (indirect shareholding via Kasetphand Industry Company Limited or holding of 99.75 percent ) in which KSP and the Company have a major shareholder and chairman as the same person who is Mr. Dhanin Chearavanont. In addition, the Company and KSP also have Mr. Prasert Jarupanich as the director.

**6. Detail of transaction**

CPRAM , a manufacturer and seller of frozen food and bakery, would like to engage in a contractor for constructing an education building and an employee dormitory. The selection processes of a contractor are summarized as follows:

- CPRAM contacted contractors to enter bidding through E-Auction. Six contractors were qualified and willing to enter bidding.
- After detailed checking and price proposal, CPRAM considered that KSP was the most suitable contractor according to the completion of construction plan and offered the lowest price.

#### **7. Entering connected transaction**

Such act is considered as a connected transaction of a listed company according to the SET “Disclosure of Information and Acts of listed Companies Concerning the Connected Transaction”. Value of transaction is greater than 0.03 % (or Baht 2.268 million) but not more than 3 % of NTA (or Baht 226.8 million) as at the Company’s latest financial statement September 30, 2007 . Entering such connected transaction must seek for the Board of Directors’ approval. The Board of Directors’ resolution has to be disclosed and publicized according to the SET disclosure requirement.

#### **8. Opinions of the Company’s Audit Committee**

The Audit Committee agrees that entering into the connected transaction of CPRAM and KSP for constructing an education building and an employee dormitory located at Ladlumkaew, Patumthani was reasonable and for the best benefit to the Company.

#### **9. Opinions of the Company’s Board of Director**

The Board of Directors, excluding interested directors, agrees that entering into the connected transaction of CPRAM and KSP for constructing an education building and an employee dormitory located at Ladlumkaew, Patumthani was reasonable and for the best benefit to the Company.

The meeting was conducted with thorough consideration for the best interest of the Company, as if the act was a non – related transaction. In this meeting agenda, the directors who have interest and considered as connected persons are 1. Mr. Dhanin Chearavanont 2. Mr. Narong Chearavanont 3. Mr. Soopakij Chearavanont and 4. Mr. Prasert Jarupanich not attending and participating the vote.

**CP ALL Public Company Limited**  
**Disclosure of Connected Transaction Regarding Compensation**  
**Charge from the Receipt of Financial Assistance of a Subsidiary Company**

The Board of Directors' meeting of CP All Plc. (CPALL) No. 5/2007, held on November 14, 2007 has resolved in the meeting regarding entering into a connection transaction of the receipts of financial assistance to SLSC from Chia Tai International Finance Co.,Ltd. (CTIF) and Charoen Pokphand Group Co.,Ltd. (CPG) on the following details:

**1. Transaction Date**

Within 2007

**2. Parties Involved**

Offer financial assistance	:	CTIF and CPG
Receive financial assistance	:	SLSC (a subsidiary of CPALL)

**3. General Characteristics of the Transaction**

CTIF operates the financial institution business in the PRC ,in which CPG is the indirect major shareholder, and intends to offer a financial assistance to SLSC in the form of issuing loan guarantee to a local bank who provides credit facilities to SLSC amounting to approximately RMB 130 million (or approximately Baht 598 million) . CTIF will obtain compensation charge from guarantying such loan at the rate of 2 % per annum according to the reference rate charged by commercial banks and under normal business undertaking. The compensation charge is approximately Baht 13 million per annum.

CPG, as an indirect shareholder of SLSC holding shares of 46 percent, intends to offer financial assistance by issuing Letter of Undertaking (LOU) in the amount of USD 15 million or approximately Baht 513 million. CPG will obtain compensation charge at

the maximum rate of 2% per annum according to the reference rate charged by commercial banks and under normal business undertaking. The compensation charge is approximately Baht 5 million per annum.

#### **4. Transaction size**

The compensation charge that SLSC pay to CTIF and CPG is approximately Baht 13 million and Baht 5 million per annum respectively.

#### **5. Relationship with Listed Company**

CPALL, SLSC and CTIF have the same major shareholder and same juristic person (as defined by the SET regulations) who is Charoen Pokphand Group Co.,Ltd. (CPG) which Mr. Dhanin Chearavanont and his related parties are major shareholders. In addition, Mr. Dhanin Chearavanont is the Chairman of CPALL and CPG.

#### **6. Entering Connected Transactions**

Such act is considered as a connected transaction of a listed company regarding obtaining of financial assistance according to the SET “Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions”, because

- SLSC, CPALL’s subsidiary, obtains financial assistance from CTIF and CPG considered as connected persons. The compensation charge that SLSC pays to CTIF and CPG is Baht 13 million and Baht 5 million per annum respectively. Such transaction size is greater than 0.03 percent (or Baht 2.268 million) but not more than 3 percent (or Baht 226.8 million) of NTA as at the Company’s latest consolidated financial statement September 30, 2007. Such act must seek for the Board of Directors’ approval. The Board of Directors’ resolution has to be disclosed and publicized according to the SET disclosure requirement.

#### **7. Opinions of the Company’s Audit Committee**

The Audit Committee agrees that the compensation of offering financial assistance from CTIF and CPG to SLSC is based on fair rationale and at the best interest of the Company.

#### **8. Opinions of the Company’s Board of Director**

The Board of Directors, excluding interested directors, agrees that offering financial assistance from CTIF and CPG to SLSC is based on fair rationale and at the best interest of the Company.

The meeting was conducted with thorough consideration for the best interest of the Company, as if the act was a non – related transaction. In this meeting agenda, the directors who have interest and considered as connected persons are 1. Mr. Dhanin Chearavanont 2. Mr. Korsak Chairasmisak 3. Mr. Umroong Sanphasitvong 4. Mr. Narong Chearavanont 5. Mr. Soopakij Chearavanont and 6. Mr. Prasert Jarupanich not attending and participating the vote.

