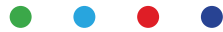




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Corporate Philosophy

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

Vision

We serve convenience to
all communities.

Mission

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



SUMMARY OF FINANCIAL INFORMATION

For Fiscal Years Ending December 31, 2015

CP ALL Public Company Limited and its Subsidiaries	2013 ^{/1} (Restated)	2014 (Restated)	2015
Consolidated Financial Information	(Million Baht)		
Net Sales and Services Income	272,285	357,766	391,817
Total Revenues	284,670	371,301	405,893
Net Profit	10,503	10,200	13,682
Net Cash Provided by Operating Activities	21,624	26,371	31,419
Total Assets	304,008	326,410	329,083
Total Liabilities	271,037	291,352	287,407
Total Equity	32,970	35,058	41,676
Share Information	(Baht)		
Book Value per Share	3.67	3.90	4.64
Earnings per Share	1.17	1.14	1.52
Dividend per Share	0.90	0.80	0.90
Financial Ratios	(%)		
Gross Margin (Sales and Services)	22.6	21.3	21.8
EBIT Margin	5.3	5.7	6.3
Net Profit Margin	3.7	2.7	3.4
Net Debt to EBITDA (times)	8.12	6.04	5.10
Return on Total Assets	5.6	3.2	4.2
Return on Total Shareholders' Equity	37.6	34.3	40.2

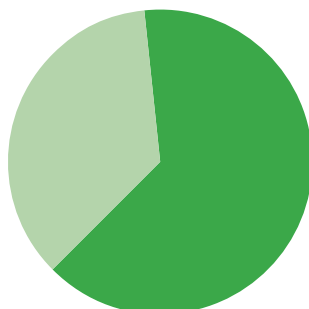
/1 The Company acquired the business of Makro during 2013. Therefore, Makro's performance has been recorded from July - December 2013.

REVENUE AND EARNINGS BEFORE TAX BASED ON BUSINESS SEGMENTS*

Revenue Contribution

36%
Cash and Carry

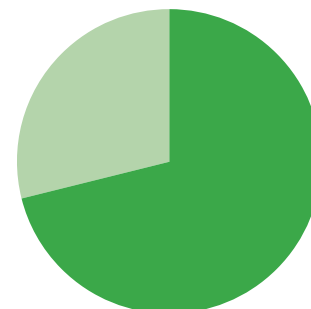
64%
CVS and Others



Earnings Before Tax Contribution

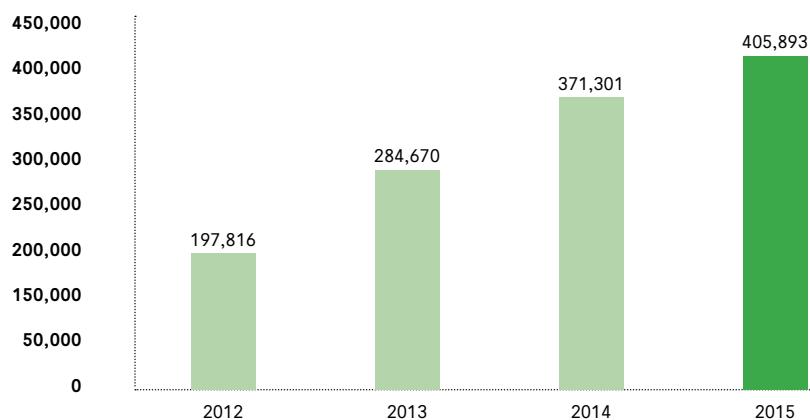
30%
Cash and Carry

70%
CVS and Others



* Before Elimination

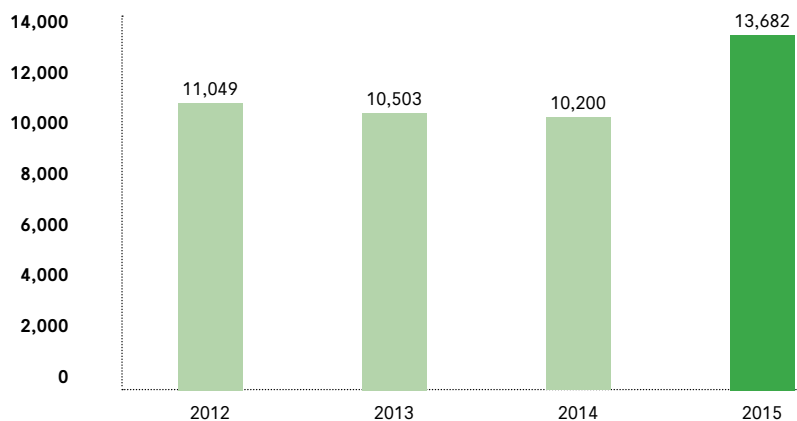
Total Revenue (Million Baht)



The Company has plans to further open approximately 600 new stores annually, with the milestone of **10,000 stores** by 2018.



Net Profit (Million Baht)





We **care** for every trust given by stakeholders
Striving to grow the business stably and sustainably with fair practices
Ready to expand to 10,000 stores, located in every community across the country by 2018
To provide convenience for every community, making every day a good day for everyone
Prepared to combine business strength with Makro to increase competitive advantage
And proudly become Thailand and Asia's leader in the retail business




we care
for every trust





The key to successful business starts with happy teams
Thus we are committed to developing employees to be capable, good and innovative persons
Consequently CP All has been recognized by Forbes as
“The World’s Most Innovative Companies” for the 2nd year
Developing the potential of franchisees and business partners to grow and succeed together
Ready to **give back** and merge strengths for the CP All Group to be
“Thailand’s Top Corporate Brands” for 5 consecutive years





**FORBES
INNOVATIVE
COMPANIES
2015**



**TOP
CORPORATE
BRANDS
2015**



2015



2014



2013



2012

we share success
through **giving back**



We wish to provide convenience food for customers 24 hours
With varied delicious, fresh, clean, safe, and nutritious menus
Because every bite is “quality” that is carefully **cherished** until reaching you
Giving fun experience through different promotions
To fulfill customer satisfaction
Whenever you're hungry... 7-Eleven... a close friend near you





we **cherish** the quality
of convenience food



We have had a long **engagement** with Thai society for over 2 decades
Nurturing education to create quality workforce for the nation
Dedicated to developing youth to be capable and good people for society
We care for society, communities and the environment with commitment
To earnestly conserve energy and the environment through the 7 Go Green Project
To bring smiles to society and communities, making this world a nice place to live,
making every day a good day for everyone





we have **engagement**
with Thai society

MESSAGES FROM THE CHAIRMAN AND CHAIRMAN OF EXECUTIVE COMMITTEE



Mr. Dhanin Chearavanont
Chairman

Mr. Korsak Chairasmisak
Chairman of
Executive Committee

In 2015, the Thai economy grew slightly. Likewise, the overall retail industry also posted low growth mainly due to careful household spending. However, the Company was able to maintain growth amid slow economic recovery. The Company's total revenue was Baht 405,893 million, rising 9.3 percent, as a result of robust sales growth from 7-Eleven business and strong support from the business of Siam Makro Public Company Limited. In addition, the Company strived to increase effectiveness in controlling costs and reducing interest burden. Consequently, the Company posted net profit of Baht 13,682 million, growing 34.1 percent from the previous year.

In driving the convenience store business, the Company continues to manage its business following the vision "We serve convenience to all communities", with the strategy of being "the convenience food store of Thais". The Company has experienced continuous development including expansion of another 705 stores to high potential areas throughout the country. At the end of 2015, the Company had a 7-Eleven network of 8,832 stores serving over 10 million customers per day. In addition, the Company was able to grow same-store sales. The growth rate of sales from existing stores was 0.9 percent, attributable to continuous introduction of new products to the market such as fresh fruit, fresh coffee and etc., with the aim of satisfying the needs of customers for every meal any time of the day. Meantime, investment in the cash and carry wholesale business has also experienced continued growth. At the end of 2015, Siam Makro Public Company Limited had a total of 91 stores, an increase of 14 stores, located across the country. In addition, Makro opened 2 new "Siam Frozen" shops which sell mainly frozen food, adding up to a total of 7 Siam Frozen shops.

With regard to preparedness for the online business which is on a rising trend, the Company has prepared systems and basic infrastructure to develop its competitive potential and expand channels for customers to conveniently access its products and services anywhere anytime. With regard to supporting operations, the Company opened a new regional distribution center for consumer products and temperature-controlled products in Chonburi Province and a new distribution center for frozen products in Chiang Mai Province in order to support distribution of ready-to-eat food products. All of the abovementioned will prepare the Company for the 10,000 stores target within 2018.

The Company continues to place importance on quality management throughout the organization with the aim of achieving organizational excellence as in the past years, with focus on maximum efficiency and effectiveness in business operations. The Company also gives importance to continuously creating innovation, both in the form of innovation inside the Company and cooperation with business partners in the area of innovation. Examples include supporting SMEs to have a market for launching innovative products for the country, through cooperation with 11 government and private agencies to organize “Thailand Synergy & 7 Innovation Awards”. This award provides a stage for SMEs to display their innovative and quality products and a channel for SMEs to distribute their quality products through 7-Eleven stores and 24 Shopping. Over 20,000 SMEs from every region have participated in the “Thailand Synergy & 7 Innovation Awards”.

Moreover, the Company operates its business with responsibility and contribution back to society and all stakeholder groups. The Company promotes education and youth development for all-rounded learning and provides training for the young generation to enter the retail business through Panyapiwat Technological College which offers vocational certificate programs and Panyapiwat Institute of Management and International College which offers Bachelor’s Degree, Master’s Degree, and Ph.D. programs. In addition, the Company awards over 20,000 scholarships to students every year. In the area of energy sustainability and environmental conservation, the Company is dedicated to the implementation of the “7 Go Green” strategy, such as campaigning for the use of LED bulbs in all stores nationwide, designing light installation that uses less bulbs in stores, and campaigning for reduction of plastic bag use in order to reduce garbage throughout the year under the “Kid-Toong” campaign (Think Bag) which has been implemented since 2007.

The dedicated management of the Company's executives and the spirited cooperation of employees at all levels have been significant forces in driving the Company's stable and sustainable success in the past year. The Company and its executives have received numerous prestigious awards from various organizations, namely "Thailand's Top Corporate Brands 2015" in the category of business services sector for the 5th consecutive year from Chulalongkorn University's Faculty of Commerce and Accountancy; "Asia's Fab 50 Companies 2015" for the 5th consecutive year from Forbes; and "The World's Most Innovative Companies 2015" for the 2nd consecutive year from Forbes. The Company was ranked the 3rd most innovative company in the Asia Pacific region and 17th in the world. CP All was the only Thai company on the list. Furthermore, in the area of environmental conservation, CP All Academy building received "Gold" certification as an energy-saving building from the Thai Green Building Institute according to Thai's Rating of Energy and Environmental Sustainability for New Construction and Major Renovation (TREES). Meanwhile, CPRAM, a company in the CP ALL Group which manufactures and distributes ready-to-eat food products, received the "Deming Prize 2015", one of two world prizes in Total Quality Management (TQM) by the Union of Japanese Scientists and Engineers (JUSE).

In addition, the Company realizes the importance of code of conduct and good corporate governance - supervising and auditing to reflect transparency, ethical behavior and fairness, especially equitable treatment of shareholders and importance of minority shareholders. The Company is committed to developing corporate governance to be on par with international standards. The Company hopes that the elevation of the Corporate Governance Committee and the appointment of independent external corporate governance experts as advisors at the beginning of 2016 will help improve processes relating to governance to be better and well-accepted.

The Company would like to thank all employees for managing the business and performing their work with dedication, confidence, and combined efforts to overcome obstacles together. The Company would also like to express sincere appreciation to all customers, business partners, shareholders and patrons for their enduring trust and support for the Company's business. All these have been significant contributors to the Company's stable and sustained success. Last but not least, the Company is determined to be a quality organization that operates its business under the corporate philosophy, "Through happy employees, we desire to see smiles from customers". The Company places importance on the interests of all stakeholder groups and is committed to being a customer-centric company. The Company has long-standing commitment to support Thailand's economic and social development with the aim of being a quality organization that is sustainable alongside Thai society.

A handwritten signature in black ink, appearing to be "Dhanin Chearavanont".

(Mr. Dhanin Chearavanont)
Chairman

A handwritten signature in black ink, appearing to be "Korsak Chairasmisak".

(Mr. Korsak Chairasmisak)
Chairman of Executive Committee

BOARD OF DIRECTORS



Prof. Dr. Komain Bhatrabhirom
Chairman of the Audit Committee
and Independent Director



Mr. Pridi Boonyoung
Audit Committee and
Independent Director



Mr. Padoong Techasarintr
Audit Committee and
Independent Director



Prof. Suphachai Phisitvanich*
Independent Director



**Police General
Phatcharavat Wongsuwan**
Independent Director



Mr. Dhanin Chearavanont
Chairman



Mr. Korsak Chairasmisak
Vice Chairman



Mr. Adirek Sripratak
Director



Mr. Umroong Sanphasitvong
Director



Mr. Soopakij Chearavanont
Director



Mr. Narong Chearavanont
Director



Mr. Prasert Jarupanich
Director



Mr. Pittaya Jearavisitkul
Director



Mr. Piyawat Titasattavorakul
Director



Mr. Tanin Buranamanit
Director



Mr. Supot Shitgasornpongse
Company Secretary



Mr. Kidsada Euapiyachart
Head of Internal Audit

** Prof. Suphachai Phisitvanich passed away on January 19, 2016.*

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

EXECUTIVE OFFICERS



Mr. Tanin Buranamanit
Managing Director and Chief Executive Officer



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



Mr. Taweesak Kaewratthanapattama
Senior Vice President - Accounting and Finance



Mr. Chuan Nimkittikul
Senior Vice President - Distribution Center



Mr. Suwit Kingkaew
Senior Vice President - General Management



Mr. Kosa Pongsupath
Senior Vice President - Information Technology



Mr. Chairoj Tiwatumcharoen
Senior Vice President - Operation



Mr. Skol Tejasatoporn
Senior Vice President - Purchasing



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

DIRECTORS AND MANAGEMENT BIOGRAPHY

Prof. Dr. Komain Bhatarabhirom

83 years old

Position :

Chairman of the Audit Committee and Independent Director

Appointment Date :

December 28, 2005

Experience

Companies Listed on the Stock Exchange of Thailand

1987 - 1993 Director, Thai Airways Public Co., Ltd.

1985 - 1993 Director, Krung Thai Bank Public Co., Ltd.

Non - listed Companies

Present

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

1998 - 2001 Judge, The Constitutional Court

1993 - 1997 Member of the Committee on Appeal,
The Securities and Exchange Act 1992

1992 - 1997 Member of Legislative Committee,
Office of the Council of State

1992 - 1996 Chairman of the Committee on Interior
Administration, Senate

1987 - 1993 Attorney General

1984 - 1993 Director, Provincial Electricity Authority

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2007 Director Accreditation Program (DAP)

2007 Audit Committee Program (ACP)

2007 Accounting for Non-Accounting Audit Committee

2009 Monitoring the Quality of Financial Reporting (MFR)

2009 Monitoring the System of Internal Control and Risk
Management (MIR)

2009 Monitoring the Internal Audit Function (MIA)

Attendance at the Board of Directors' Meeting during 2015 :

11 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) : - None -

Mr. Pridi Boonyoung

77 years old

Position :

Audit Committee and Independent Director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

Present

- Audit committee, Panyapiwat Institute of Management
- 1997 - 1998 Director - General, Treasury Department
- 1996 - 1997 Director - General, Customs Department
- 1993 - 1996 Director - General,
The Comptroller General's Department

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2005 Director Accreditation Program (DAP)

2010 Audit Committee Program (ACP)

Attendance at the Board of Directors' Meeting during 2015 :

11 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.00759

Mr. Padoong Techasarintr

75 years old

Position :

Audit Committee and Independent Director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

- Audit Committee, Panyapiwat Institute of Management
- 1995 - 1998 Executive Director, Siam City Bank Public Co., Ltd.
- 1994 - 1995 Director - Vice President, Siam City Bank Public Co., Ltd. Senior Executive Vice President, The Industrial Finance Corporation of Thailand

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2001 The Role of Chairman

2003 Director Certification Program (DCP)

2005 Director Accreditation Program (DAP)

2008 Audit Committee Program (ACP)

2008 Monitoring the Internal Audit Function

Attendance at the Board of Directors' Meeting during 2015 :

11 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.00011

Prof. Suphachai Phisitvanich

75 years old (Pass away on January 19, 2016)

Position :

Independent Director

Appointment Date :

February 26, 2009

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Chairman, Aira Capital Public Co., Ltd.
- Chairman and Member of the Audit Committee, Smart I-Mobile Public Co., Ltd.
- Member of the Nomination and Compensation Committee, Bangkok Expressway Public Co., Ltd.
- Director and Chairman of the Audit Committee, Bangkok Expressway Public Co., Ltd.

2001 - 2003 Chairman, Krungthai Bank Public Co., Ltd.

2001 - 2002 Chairman, TOT Public Co., Ltd.

Non - listed Companies

Present

- Chairman, Aira Securities Public Co., Ltd.
- 2005 - 2007 Chairman of the Audit Committee, CPPC Public Co., Ltd.
- 2005 - 2007 Chairman of the Audit Committee, Business Development Bank (Shanghai-China)
- 2004 - 2008 Member of Appellate Committee, The Securities and Exchange Commission (SEC)
- 2004 - 2006 Member of Committee, Board of Royal Thai Police
- 2001 - 2002 Advisor to Finance Minister, Ministry of Finance
- 1998 - 2001 Permanent Secretary for Finance, Ministry of Finance
- 1997 - 1997 Deputy Permanent Secretary, Ministry of Finance
- 1993 - 1996 Director General, Customs Department
- 1992 - 1992 Director General, Excise Department
- 1991 - 1991 Director General, Fiscal Policy Office

Education

- Ph.D. (Honorary Degree) in Accounting, Thammasat University
- M.B.A. Finance, Ohio State University, USA
- Bachelor Degree in Accounting, Thammasat University
- Bachelor Degree in Business Administration, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- 2003 Director Accreditation Program (DAP)
- 2003 Director Certification Program (DCP)
- 2004 Board Performance Evaluation
- 2006 The Role of Chairman Program (RCP)

Attendance at the Board of Directors' Meeting during 2015 :

10 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) : - None -

Police General Phatcharavat Wongsuwan

66 years old

Position :

Independent Director

Appointment Date :

February 19, 2013

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Director, Energy Absolute Public Company Limited

Non - listed Companies

Present

- Consultant, National Broadcasting and Telecommunication Commission (NBTC)
- 2008 Commissioner-General, Royal Thai Police
- 2005 Deputy Commissioner-General
- 2002 Assistant Commissioner-General

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

Attendance at the Board of Directors' Meeting during 2015 :

8 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) : - None -

Mr. Dhanin Chearavanont

76 years old

Position :

Chairman

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Chairman, Charoen Pokphand Food Public Co., Ltd.
- Chairman, True Corporation Public Co., Ltd.

Non - listed Companies

Present

- Chairman and CEO, Charoen Pokphand Group Co., Ltd. and its subsidiaries
- Honorary Chairman, True Move Co., Ltd.
- Director, Bangkok Inter Teletech Public Co., Ltd.

Education

- Degree from National Defence College of Thailand
- Shantou Secondary School, The People's Republic of China
- Commercial School, Hong Kong

Relationship

- Mr. Soopakij Chearavanont and Mr. Narong Chearavanont's father

Training by the Thai Institute of Directors Association (IOD)

2005 Director Accreditation Program (DAP)

Attendance at the Board of Directors' Meeting during 2015 :

3 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.01705

Mr. Korsak Chairasmisak

63 years old

Position :

Vice Chairman and Chairman of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

- 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, The Holyland Foundation

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.

Education

- Honorary Doctor of Philosophy in Accounting, Rajamangala University of Technology Srivijaya
- Honorary Doctor of Business Administration, Dhurakij Pundit University
- Honorary Doctor of Business Administration in Management, Suan Dusit Rajabhat University

- Honorary Doctor of Arts, North Chiang Mai University
- Honorary Doctor of Business Administration in Management, Sripatum University
- Bachelor Degree in Economics, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2000 Director Certification Program (DCP)

2006 The Role of Chairman

Attendance at the Board of Directors' Meeting during 2015 :

10 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.09601

* Included Employee Joint Investment Program (EJIP)

- 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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2001 Director Certification Program (DCP)

2005 Director Accreditation Program (DAP)

Attendance at the Board of Directors' Meeting during 2015 :

9 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) : - None -

Mr. Adirek Sripratak

70 years old

Position :

Director

Appointment Date :

August 11, 2005

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- President and CEO, Charoen Pokphand Foods Public Co., Ltd.
- Director, Siam Makro Public Co., Ltd.

Non - listed Companies

Present

- Honor president, Thai Broiler Processing Exporters Association
- Vice Chairman, Charoen Pokphand Group Co., Ltd.

Education

- 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

Mr. Umroong Sanphasitvong

63 years old

Position :

Director and Member of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

- Deputy Group CFO, Charoen Pokphand Group Co., Ltd.
- Director, CPPC Public Co., Ltd.
- Director, Vinasiam Bank
- Director, C.P. Lotus Corporation

1980 Deputy Division Manager - Accounting and Finance, Charoen Pokphand Group Co., Ltd.

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2001	Director Certification Program (DCP)
2003	Company Secretary
2006	Board Performance Evaluation
2006	DCP refresher
2007	Role of the Compensation Committee

Attendance at the Board of Directors' Meeting during 2015 :

11 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) : - None -

Mr. Soopakij Chearavanont

52 years old

Position :

Director

Appointment Date :

August 15, 2003

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Director, True Corporation Public Company Limited
- Director, Siam Makro Public Company Limited

Non - listed Companies

Present

- Chief Executive Officer, UTV Cable Network Plc.
- Executive Vice Chairman, Charoen Pokphand Group
- Executive Chairman, True Visions Group Company Limited
- Executive Chairman, Telecom Holding Co., Ltd.
- Chairman, True Visions Cable Public Co., Ltd.
- Chairman, True Visions Public Company Limited
- Chairman, CT Bright Holdings Ltd.
- Chairman, Chia Tai Land Holding Company Ltd.
- Chairman, Chia Tai Lotus (Shanghai) Company Ltd.
- Chairman, Chia Tai Property Management Company Ltd.

- Chairman, Chia Tai Real Estate Group Company Ltd.
- Chairman, Fortune Leasing Company Ltd.
- Chairman, Mass Gain Investment Ltd.
- Chairman, Beijing Lotus Supermarket Chain Store Co., Ltd.
- Chairman, SM True Company Limited
- Co-Chairman, Shanghai Kinghill Limited - Super Brand Mall
- Executive Chairman & Chief Executive Office, C.P. Lotus Corporation
- Executive Vice Chairman & CEO, Shanghai Lotus Supermarket Chain Store Co., Ltd.
- Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Co., Ltd.
- Vice Chairman & CEO, Marketing and Distribution Business (China), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Automotive Industrial Business (China), Charoen Pokphand Group Co., Ltd
- Vice Chairman, Marketing and Distribution Business (Thailand), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Real Estate and Land Development Business (Thailand), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Telecommunication Business, Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Chia Tai International Finance Company Ltd.
- Vice Chairman, Chia Tai Trading (Beijing) Company Ltd.
- Vice Chairman, Chia Tai Vision Ltd.
- Vice Chairman, Shanghai Fortune World Development Co., Ltd.
- Non-Executive Director, Ping An Insurance (Group) Company of China Ltd.
- Director, Chia Tai Development Investment Company Ltd.
- Director, Chia Tai Group Company Ltd.
- Director, CP Pokphand Co., Ltd.
- Director, Fortune Shanghai Ltd.
- Director, Lotus-CPF (PRC) Investment Company Ltd.
- Director, True Move Company Limited

Education

- Bachelor of Science Degree in the College of Business and Public Administration, New York University, USA

Relationship

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

Training by the Thai Institute of Directors Association (IOD)

- None -

Attendance at the Board of Directors' Meeting during 2015 :

3 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.00248

Mr. Narong Chearavanont

51 years old

Position :

Director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

- Director, Shanghai Lotus Supermarket Chain Store Company Limited
- Director, Business Development Bank
- Director, Tai'an Lotus Supermarket Chain Store Company Limited
- Director, Beijing Lotus Supermarket Chain Store Company Limited
- Director, Xi'an Lotus Supermarket Chain Store Company Limited
- Director, Shantou Lotus Supermarket Chain Store Company Limited
- Director, Qingdao Lotus Supermarket Chain Store Company Limited

- Director, CPPC Company Limited
- Director, Beston Action Utility Wear (Lianyungang) Company Limited
- Director, Jiangsu CP Lotus Supermarket Chain Store Company Limited
- Director, Beijing CP Lotus Supermarket Chain Store Company Limited
- Director, Zhejiang CP Trading Company Limited
- Director, Cineplex Company Limited
- Director, Satellite Services Company Limited
- Director, Wuxi Ailian Supermarket Chain Store Company Limited
- Director, Wuxi Yilian Supermarket Company Limited
- Director, Taizhou Yilian Supermarket Company Limited
- Director, Hefei Ailian Supermarket Company Limited
- Director, Changsha Chulian Supermarket Company Limited
- Director, Wuhan Yichu Ailian Supermarket Company Limited
- Director, Guangzhou Lotus Supermarket Chain Store Company Limited
- Director, Shanghai Yilian Supermarket Company Limited
- Director, Shanghai Ailian Supermarket Company Limited
- Director, Shanghai Songlian Supermarket Company Limited
- Director, Wenzhou Yichu Ailian Supermarket Company Limited
- Director, Shanghai Cailian Supermarket Company Limited
- Director, Nantong Tonglian Supermarket Company Limited
- Director, Kunshan Tailian Supermarket Company Limited
- Director, C.P. Zonglian (Shanghai) Management Company Limited
- Director, Guangzhou Lotus Supermarket Chain Store Company Limited
- Director, Beijing Lotus Supermarket Chain Store Company Limited
- Director, Shanghai Changfa Shopping Center Company Limited
- Director, Shanghai Yalian Supermarket Company Limited
- Director, Shanghai Jialian Supermarket Company Limited
- Director, Kunshan Tailian Supermarket Company Limited

- Director, Nantong Tonglian Supermarket Company Limited
 - Director, C.P. Lotus Corporate Management Company Limited
 - Director, Zhengzhou Lotus Supermarket Chain Store Company Limited
 - Director, Foshan Nanhai Huanantong Trading Development Company Limited
 - Director, Guangdong Huanantong Trading Development Company Limited
 - Director, Foshan C.P. Lotus Management Consulting Company Limited
 - Director, Zhanjiang C.P. Lotus Supermarket Company Limited
 - Director, Wuhan Lotus Supermarket Chain Store Company Limited
 - Director, Shanghai Xinlian Supermarket Company Limited
 - Chairman Yangtze Supermarket Investment Company Limited
 - Executive Vice Chairman
CP Lotus Corporation Company Limited
 - Executive Vice Chairman
Chia Tai (China) Investment Company Limited
 - Director, True Visions Cable Public Company Limited
 - Director, Chia Tai Qingdao Holdings (Hong Kong) Company Limited
 - Director, Chia Tai Xiangyang Holdings (Hong Kong) Company Limited
 - Director, Chia Tai Qingdao Holdings Company Limited
 - Director, Chia Tai Xiangyang Holdings Company Limited
 - Director, The ICONSIAM Superlux Residences Corporation Limited
 - Director, The ICONSIAM Residences Corporation Company Limited
 - Director, The ICONSIAM Company Limited
 - President, CP Corporate University
 - Vice Chairman, Panther Entertainment 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 Company Limited
 - Vice Chairman, SM True Company Limited
 - Senior Executive Assistant to Chairman,
Charoen Pokphand Group “Global Talent Recruitment”
 - Chief Executive Officer,
Shanghai Litai Logistics Company Limited
 - Governance Committee,
Leadership Development Institute
 - 1995 - 1997 President, Ex-Chor Distribution (Thailand) Company Limited
 - 1997 - 2002 President, Ex-Chor Trading (Shanghai) Company Limited
 - 2007 - 2010 Director, CP Pokphand Company Limited
 - 2008 - 2010 Director, True Visions Public Company Limited
- 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
- Relationship**
- Mr. Dhanin Chearavanont’s son and
Mr. Soopakij Chearavanont’s brother
- Training by the Thai Institute of Directors Association (IOD)**
- 2007 Director Accreditation Program (DAP)
- Attendance at the Board of Directors’ Meeting during 2015 :**
- 8 times out of 11 meetings
- (%) Shareholding (as at December 30, 2015) :**
- 0.00339

Mr. Prasert Jarupanich

67 years old

Position :

Director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Director, Siam Makro Public Co., Ltd.

Non - listed Companies

Present

- Director, Freewill Solutions Co., Ltd.
- Director, Chester Food Co., Ltd.
- Director, Perfect Companion Group Co., Ltd.
- Director, Pokphand Enterprise Co., Ltd.
- Director, Star Animal Co., Ltd.
- Vice President - Marketing and Distribution Group, Charoen Pokphand Group Co., Ltd.

Education

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

Experiences

- None -

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

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

Attendance at the Board of Directors' Meeting during 2015 :

11 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) : - None -

Mr. Pittaya Jearavisitkul

60 years old

Position :

Director and Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Director, Siam Makro Public Co., Ltd.

Non - listed Companies

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

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2000	Director Certification Program (DCP)
------	--------------------------------------

Attendance at the Board of Directors' Meeting during 2015 :

11 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.01963

* Included Employee Joint Investment Program (EJIP)

Mr. Piyawat Titasattavorakul

62 years old

Position :

Director and Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

- Director, C.P. Lotus Corporation Co., Ltd.

Education

- Bachelor Degree in Marketing, Ramkhamhaeng University

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2001 Director Certification Program (DCP)

Attendance at the Board of Directors' Meeting during 2015 :

10 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.00214

** Included Employee Joint Investment Program (EJIP)*

Mr. Tanin Buranamanit

52 years old

Position :

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

Appointment Date :

April 28, 2010

Experience

Companies Listed on the Stock Exchange of Thailand

- 2012 Executive Vice President - Marketing, Operation and Human Resource, CP ALL Public Co., Ltd.
- 2007 Executive Vice President - Marketing and Operation, C.P. Seven Eleven Public Co., Ltd
- 1999 Vice President - Marketing and Operation, C.P. Seven Eleven Public Co., Ltd
- 1999 Assistant Vice President - Marketing, C.P. Seven Eleven Public Co., Ltd.

Non - listed Companies

- 1998 Assistant Vice President, Sunny Supermarket Co., Ltd.

Education

- Bachelor Degree in Marketing, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2010 Director Certification Program (DCP)

Attendance at the Board of Directors' Meeting during 2015 :

10 times out of 11 meetings

(%) Shareholding (as at December 30, 2015) :

0.00363

** Included Employee Joint Investment Program (EJIP)*

Mr. Supot Shitgasornpongse

62 years old

Position :

Company Secretary and Vice President -
Accounting and Finance

Appointment Date :

August 13, 2008

Experience

Companies Listed on the Stock Exchange of Thailand

- 1990 - 1997 General Manager, Thailand Fishery Cold Storage Public Co., Ltd. and its subsidiaries
 1975 - 1977 Programmer, Siam Cement Group Co., Ltd.

Non - listed Companies

- Present Subcommittee on Tax Revenue, Thai Chamber of Commerce
 - Banknote Management Committee, Banknote Management Group, Bank of Thailand
- 2008 - 2011 Member, Accounting Standards Technical Assistance Subcommittee and Member, Accounting Systems Formulation Committee, Federation of Accounting Professions
- 1978 - 1990 Administrative Manager, Hoechst Thai Co., Ltd. and its subsidiaries

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

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

(%) Shareholding (as at December 30, 2015) :

0.00241

** Included Employee Joint Investment Program (EJIP)*

Mr. Kidsada Euapiyachart

63 years old

Position :

Secretary of Audit Committee and
 Vice President - Internal Audit

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

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

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

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

(%) Shareholding (as at December 30, 2015) :

0.00059

** Included Employee Joint Investment Program (EJIP)*

Mr. Wisade Wisidwinyoo

58 years old

Position :

Member of Executive Committee

Appointment Date :

February 17, 2015

Experience

Companies Listed on the Stock Exchange of Thailand

-None-

Non - listed Companies

Present

- Managing Director, CPRAM Co., Ltd.
- 2013 - 2014 Senior Vice President, CPRAM Co., Ltd.
 2007 - 2013 Senior Vice President,
 C.P. Retailing and Marketing Co., Ltd.

Education

- Master Degree in Engineering,
The University of Texas at Arlington
- Bachelor Degree in Engineering,
King Mongkut's University of Technology Thonburi

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

(%) Shareholding (as at December 30, 2015) :

0.00108

** Included Employee Joint Investment Program (EJIP)*

Mr. Suraphan Pussadej

67 years old

Position :

Senior Assistant Chief Executive Officer - Human Resource

Experience

Companies Listed on the Stock Exchange of Thailand

2004 - 2005 Deputy Chief Executive Officer,
S Khonkaen Public Co., Ltd.

1996 - 2004 Corporate Human Resource Director,
Paper & Packaging Business,
Siam Cement Group (SCG)

1974 - 1996 Human Resource Manager,
Siam Cement Group (SCG)

Non - listed Companies

Present

- Chairman, Kanittapanitt Co., Ltd.
- Advisor, Civil Servant Commission for Bureaucratic Development
- Advisor, Walailuck University

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

(%) Shareholding (as at December 30, 2015) :

0.00397

** Included Employee Joint Investment Program (EJIP)*

Mr. Suwit Kingkaew

66 years old

Position :

Senior Vice President - General Management

Experience

Companies Listed on the Stock Exchange of Thailand

1996 - 1998 Assistant Vice President -

General Management,

C.P. Seven Eleven Public Co., Ltd.

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2005 Director Certification Program (DCP)

(%) Shareholding (as at December 30, 2015) :

0.00680

** Included Employee Joint Investment Program (EJIP)*

Mr. Chuan Nimkittikul

64 years old

Position :

Senior Vice President - Distribution Center Function

Experience

Companies Listed on the Stock Exchange of Thailand

1996 - 1998 Assistant Vice President - Purchasing and Distribution, Human Resource and Administration: C.P. Seven Eleven Public Co., Ltd.

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

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

(%) Shareholding (as at December 30, 2015) :

0.00785

** Included Employee Joint Investment Program (EJIP)Mr.*

Kosa Pongsupath

64 years old

Position :

Senior Vice President - Information Technology

Experience

Companies Listed on the Stock Exchange of Thailand

2000 - 2001 Assistant Vice President - Information Technology C.P. Seven Eleven Public Co., Ltd.

Non - listed Companies

- None -

Education

- Bachelor Degree in Statistics, Kasetsart University

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

(%) Shareholding (as at December 30, 2015) :

0.00320

** Included Employee Joint Investment Program (EJIP)*

Mr. Taweesak Kaewrathtanapattama

59 years old

Position :

Senior Vice President - Accounting and Finance

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

1981 - 2005 Vice President, Bangkok Produce Merchandising Public Co., Ltd.

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2007 Director Certification Program (DCP)

(%) Shareholding (as at December 30, 2015) :

0.00448

** Included Employee Joint Investment Program (EJIP)*

Mr. Chairaj Tiwatmuncharoen

61 years old

Position :

Senior Vice President - Operation

Experience

Companies Listed on the Stock Exchange of Thailand

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

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

(%) Shareholding (as at December 30, 2015) :

0.00507

** Included Employee Joint Investment Program (EJIP)*

Mr. Skol Tejasataporn

62 years old

Position :

Senior Vice President - Purchasing

Experience

Companies Listed on the Stock Exchange of Thailand

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

Non - listed Companies

- None -

Education

- Bachelor of Arts in Economics, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

(%) Shareholding (as at December 30, 2015) :

0.00185

** Included Employee Joint Investment Program (EJIP)*

Mr. Vichien Chuengviroj

60 years old

Position :

Senior Vice President - Corporate Asset and Facilities
Management

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

- None -

(%) Shareholding (as at December 30, 2015) :

0.00053

** Included Employee Joint Investment Program (EJIP)*

BUSINESS OVERVIEW

CP ALL Plc. (“the Company”) was established in 1988 by the Charoen Pokphan Group to operate the convenience store business in Thailand under “7-Eleven” trademark. The Company was granted a license to use the trademark from 7-Eleven, Inc., USA. In 1989, the first 7-Eleven 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.”) payment for products and services through smart cards (“Thai Smart Card Co., Ltd.”), information technology services (“Gosoft (Thailand) Co., Ltd.”), logistics services (“Dynamic Management Co., Ltd.”), marketing services (“MAM Heart Co., Ltd.”), educational institution (“Suksapiwat Co., Ltd.”), and training and business seminar services (“Panyatara Co., Ltd.” and “All Training Co., Ltd.”), including catalog sales and e-commerce business (Twenty Four Shopping Co., Ltd.), and etc. In 2013, CPALL acquired Siam Makro Public Company Limited (“Makro”) operating membership based Cash and Carry trade centers in Thailand.

Policy and Company Direction

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

Corporate Philosophy

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

Vision

We serve convenience to all communities.

Mission

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

With regards to 7-Eleven store expansion, the Company has planed to further open approximately 600 new stores annually, with the milestone of 10,000 stores by 2018. With the strategy of being the convenience food store of Thais, emphasis will be placed on ready-to-eat food products those are fresh, clean and safe, as well as the developing of new products with business partners to offer a variety of new products which are available only in 7-Eleven stores. At the end of the year 2015, the Company had a total of 8,832 stores nationwide. Of the total, 3,922 stores are in Bangkok and its vicinities (44 percent) and 4,910 stores are in provincial areas (56 percent). According to type of store, there are 3,908 corporate stores (44 percent), 4,257 franchise stores (48 percent), and 667 sub-area license stores (8 percent). Presently, an average of 10.9 million customers visits

In 2015, the Company expanded another 705 new stores both as stand-alone stores and stores located in PTT gas stations to reach more target customers both in Bangkok and its vicinities and provincial areas. At the end of 2015, the Company had 7,598 stand-alone stores (86 percent) and 1,234 stores in PTT gas stations (14 percent).

Significant Changes and Developments

In 2013, CPALL acquired the business of Siam Makro Public Company Limited with shareholding of 97.88 percent. Sources of fund to acquire Makro came from internal cash flow from operation and borrowings of financial institutions. Regarding of the loans, the Company effectively managed financial obligations to reduce financing charges and risks of interest rate change. In 2015, to repay loans from banks, CPALL continued to issue Baht bond as follows:

No.1/2015 in the amount of Baht 20,000 million and

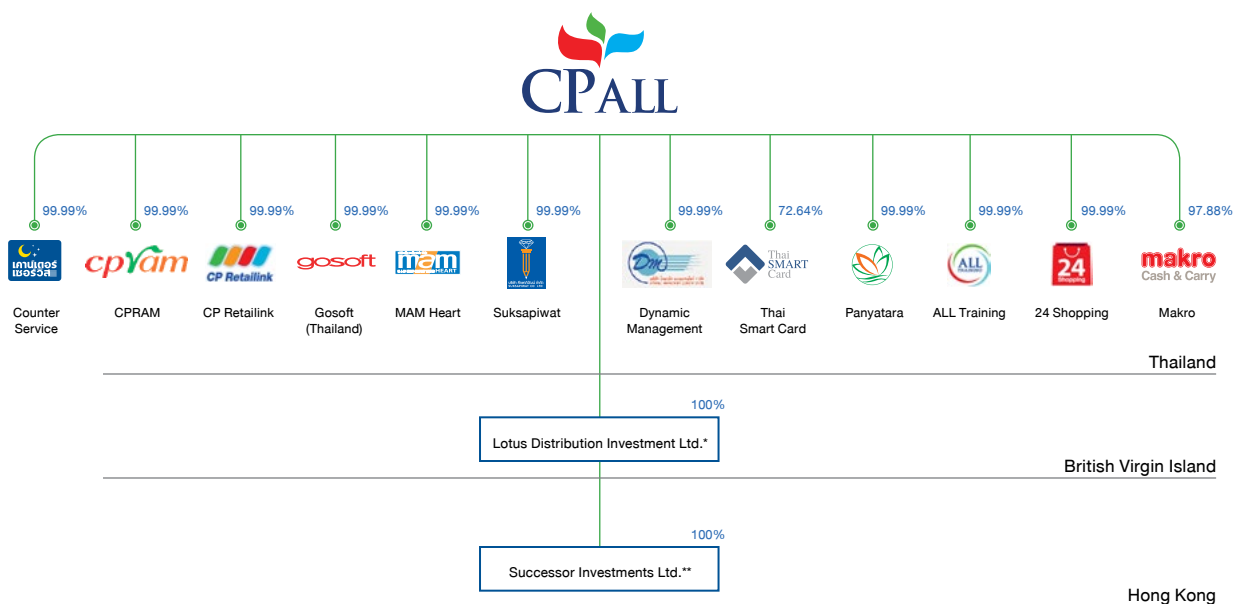
No. 2/2015 in the amount of Baht 13,000 million following the first issuance of Baht 50,000 million in 2013 and the next three issuances of Baht 90,000 million in 2014 and they were successfully subscribed by both retail and institution investors.

Group Structure of CP ALL Public Company Limited

As at December 31, 2015

The Company became a public company limited registration number 0107542000011 on March 12, 1999. As at December 30, 2015, the Charoen Pokphand Group held 40.65 percent of the Company's paid-up capital.

As at December 31, 2015, the group structure of the Company was as follows:



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

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

COMPANY HISTORY IN BRIEF

- 1988**
 - Granted the 7-Eleven license from 7-Eleven, Inc., USA
 - Established the Company to operate a convenience store business in Thailand under the “7-Eleven” trademark
- 1990**
 - Changed the Company’s name from “C.P. Convenience Store Co., Ltd.” to “C.P. Seven Eleven Co., Ltd.” and opened the first 7-Eleven outlet at Soi Patpong, Bangkok
- 1994**
 - Established Counter Service Co., Ltd. to operate the business of bill payment collection service
- 1996**
 - Established C.P. Retailing and Marketing Co., Ltd. to operate the business of manufacturing and sale of convenience food and bakery products
- 1997**
 - Officially opened Bang Bua Thong distribution center (DC4)
- 1998**
 - Established Lotus Distribution Investment Limited
 - Became a public company
 - Celebrated the 1,000th 7-Eleven store in Thailand
- 1999**
 - Established Retailink (Thailand) Co., Ltd. to operate the business of sale and maintenance of retail equipment
- 2000**
 - Joined with the China Retail Fund, LDC, a fund under the management of American International Group, to establish Yangtze Supermarket Investment Co., Ltd. to invest in the supercenter business in the PRC
 - Established Shanghai Lotus Supermarket Chain Store Co., Ltd.
- 2001**
 - Incorporated Thai Smart Card Co., Ltd. with 8 alliances
- 2002**
 - Celebrated the 2,000th 7-Eleven store in Thailand
 - Co-operated with PTT Public Co., Ltd. to exclusively open 7-Eleven stores in PTT gas stations

- 2003**
 - Established Gosoft (Thailand) Co., Ltd.
 - Established MAM Heart Co., Ltd.
 - Established Dynamic Management Co., Ltd.
 - Offered shares to the public and listed the Company on the Stock Exchange of Thailand
- 2004**
 - Established Suksapiwat Co., Ltd.
 - Awarded the Thai Quality Class: TQC at the Thailand Quality Award 2004
- 2005**
 - Celebrated the 3,000th 7-Eleven store in Thailand
 - Officially opened Panyapiwat Techno Business School
- 2006**
 - Officially opened Suvarnabhumi distribution center (DC5)
 - Officially launched “Smart Purse” card and became the first convenience store in Thailand to offer payment of products and services with Smart Purse, a digital cash card
 - Established Panyatara Co., Ltd.
- 2007**
 - Established Panyapiwat Institute of Technology
 - Disposed the assets and investment of Supercenter business in the PRC
 - Changed the Company’s name from “C.P. Seven Eleven Public Company Limited” to “CP ALL Public Company Limited” and changed trading symbol from “CP7-11” to “CPALL”
- 2008**
 - Increased registered capital in Thai Smart Card Co., Ltd. to Baht 1,600 million on March 28, 2008
 - Completed the restructuring of supercenter business in the PRC on October 31, 2008
 - Received the highest vote in Thailand for “Asia’s 200 Most-Admired Companies” from The Wall Street Journal Asia’s survey

2009

- Celebrated the 5,000th 7-Eleven store in Thailand
- Became the first listed company in the Stock Exchange of Thailand in establishing a 3-year Employee Joint Investment Program (EJIP), starting from July 1, 2009 till June 30, 2012
- Celebrated the 20th anniversary of operating 7-Eleven in Thailand since the first outlet at Soi Patpong, moving towards convenience food store
- Opened a regional distribution center at Surat Thani
- Received the Top 10 Thailand's Most Innovative Companies 2009 Award, which was ranked by Faculty of Commerce and Accountancy, Chulalongkorn University and Krungthep Turakij newspaper

2010

- Officially opened the second chilled distribution center at Suvarnabhumi (CDC2)
- Taxpayer Recognition Award (Award for Being a Responsible Taxpayer) presented by the Ministry of Finance's Revenue Department. CP All is one of the three large juristic entities in Thailand that received the Award
- Gold Award for Retailers in Thailand presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG at the "Retail Asia-Pacific Top 500 Ranking 2010 Awards"
- Received the Best CEO Award for a SET-listed firm 2010 presented by the Stock Exchange of Thailand and Money and Banking Magazine
- Received the Best CEO Award and the Best CFO Award in the Service Industry at the SAA Award for Listed Companies 2010 presented by the Securities Analysts Association
- 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 Baht 3,787.7 million on September 30, 2010
- Changed the name "Panyapiwat Institute of Technology" to "Panyapiwat Institute of Management" effective since November 23, 2010.

2011

- Officially opened the regional distribution center at Khon Kaen
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region in 2011 (Asia's Fab 50 Companies)
- Awarded the Top Corporate Brands 2011 in the service sector in Thailand by Marketing program, Chulalongkorn University's Faculty of Commerce and Accountancy
- Awarded Gold Award for Retailers in Thailand presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG at the "Retail Asia-Pacific Top 500 Ranking 2011 Awards" for the second time consecutively.

2012

- Officially opened the regional distribution center at Lamphun
- Changed the name "Panyapiwat Techno Business School" to "Panyapiwat Technological College" effective from January 4, 2012 onwards.
- Approved Employee Joint Investment Program (EJIP) No.2 with a duration of 5 years, starting from July 1, 2012 till June 30, 2017
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region in 2012 (Asia's Fab 50 Companies) for the second time consecutively
- Awarded the Top Corporate Brands 2012 in the service sector in Thailand by Marketing program, Chulalongkorn University's Faculty of Commerce and Accountancy, for the second time consecutively
- Awarded Gold Award for Retailers in Thailand presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG at the "Retail Asia-Pacific Top 500 Ranking 2012 Awards" for the third time consecutively.
- Received the Best CEO Award and the Best CFO Award in the Service Industry at the SAA Award for Listed Companies 2012 presented by the Securities Analysts Association

2013

- Celebrated the 7,000th 7-Eleven store in Thailand
- Acquired Siam Makro Public Company Limited, membership based Cash & Carry trade centers
- Achieved an inaugural bond issuance of Baht 50,000 million, the biggest issuing size of Thailand corporate bond
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region in 2013 (Asia's Fab 50 Companies) for the third time consecutively
- Awarded the Top Corporate Brands 2013 in the service sector in Thailand by Marketing program, Chulalongkorn University's Faculty of Commerce and Accountancy, for the third time consecutively
- Awarded Best-of-the-Best Retailers 2013, Asia Pacific, presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG
- Received the CEO Econmass Award 2013 organized by The Economic Reporters Association

2014

- Reached 8,000 stores of 7-Eleven
- Successfully issued Baht bond no. 1, 2 and 3/2014 totaling Baht 90,000 million to retail and institutional investors
- Established Twenty Four Shopping Co.,Ltd, operating on-line business
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region in 2014 (Asia's Fab 50 Companies) for the fourth time consecutively
- Recognized by Forbes Magazine as the only company in Thailand to be ranked no. 8 out of 100 on the Forbes World's Most Innovative Companies 2014 and ranked no. 2 in Asia
- Awarded the Top Corporate Brands 2014 in the service sector in Thailand by Marketing program, Chulalongkorn University's Faculty of Commerce and Accountancy, for the fourth time consecutively
- Inaugurated the 16-storey building "CPALL Academy", Tara Park, Chaengwattana

2015

- Opened of 705 new 7-Eleven stores, adding up to a total of 8,832 7-Eleven stores, and to reach a target of 10,000 stores within 2018
- Successfully issued Baht bond no. 1 and 2/2015 totaling Baht 33,000 million to retail and institutional investors.
- Received the “Deming Prize 2015” for CPRAM Co., Ltd, a company in the CP ALL Group which manufactures and distributes ready-to-eat food products. This is one of two world prizes in Total Quality Management (TQM) by the Union of Japanese Scientists and Engineers (JUSE). CPRAM is the 1st manufacturer in Thailand and world who got this prize.
- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region (Asia’s Fab 50 Companies) for the fifth time consecutively
- Recognized by Forbes Magazine as the most innovative company in Thailand for the 2nd consecutive year (World’s Most Innovative Companies 2015), which ranked no.3 in Asia Pacific region, and no.17 in the world.
- Received “Gold” certification for CP All Academy building as an energy-saving building from the Thai Green Building Institute according to Thai’s Rating of Energy and Environmental Sustainability for New Construction and Major Renovation (TREES).
- Officially opened the regional distribution center for consumer products and temperature controlled products at Chonburi
- Officially opened the distribution center for frozen products in Chaingmai

NATURE OF BUSINESS

Revenue Structure

The Company's revenue is generated from net sales and services income, which can be divided into 3 business groups (data before elimination) as follows (For additional details, please refer to "Key Financial Information" section 13.)

Groups of Business	2014		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Convenience store (7-Eleven)	217,495	71	228,996	58	249,758	58
Cash and Carry (Makro) ^{/1}	66,726	22	142,537	36	155,914	36
Other businesses ^{/2}	20,077	7	24,593	6	28,288	6
Total net sales and service income	304,298	100	396,126	100	433,960	100

/1 The Company acquired the business of Makro during 2013. Therefore, Makro's performance has been recorded from July - December 2013.

/2 Consists of CPRAM convenience food and bakery business, goods and bill payment collection service of CS, sale and maintenance business for retail equipment of CPR and other income from other subsidiaries

Convenience Store Business

Types of Products or Services

The Company is the sole operator of 7-Eleven convenience stores in Thailand, which has been granted an exclusive right from 7-Eleven, Inc., USA to conduct business under the Area License Agreement.

In the past, the Company managed the business as a network of stores scattered in communities such as residential areas, offices, educational institutes, tourist attractions and gas stations, having coverage over Bangkok, suburban, and provincial nationwide. In 2015, there were 7-Eleven stores with a total of 8,832 outlets.

Types of 7-Eleven Stores

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

(Unit : stores)	2012	2013	2014	2015	No. of new store openings in 2015
Corporate Stores	2,984	3,248	3,570	3,908	338
Franchise Stores	3,320	3,593	3,916	4,257	341
Sub-Area License Stores	518	588	641	667	26
Total	6,822	7,429	8,127	8,832	705

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

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

3) Sub-Area License Stores: The Company engages in sub-area license agreements with third parties to operate 7-Eleven stores in the territory where the sub-area licensees themselves will be responsible for the management of 7-Eleven stores. The Company will provide assistance and support under the agreed conditions. Presently, there are 4 sub-area license agreements in Phuket, Yala, Chiang Mai and Ubon Ratchathani.

Product Mix of 7-Eleven

The Company always studies customers' changing needs and expectations for making plans on products and services. The marketing team continuously attempts to search and select products and services that are of high quality, are different from those of competitors, satisfy the demands of different target groups, and are in line with new trends and market changes.

Products of the Company are categorized into the following 2 major groups: Foods & Beverage accounting for 71.9 percent and non-food products excluding phone card accounting for 28.1 percent.

At the same time, the Company has always developed and enhanced other services for customer convenience and for serving customers' daily routines. The Company continuously strives to expand its alliance partners to provide a wider range of services shown in its payment service for more than 500 vendors to better provide convenience to customers. Furthermore, there are ATM machines at the stores which are currently located at approximately 86 percent of total stores.

Nature of Customers

The Company provides purchasing convenience to customers through its store network which is scattered in every community. The Company's customer groups are varied, including people of every gender and age with different occupations, who live and engage in daily activities near 7-Eleven stores. On average, a total of 10.9 million customers nationwide per day purchased products and services from 7-Eleven stores in 2015 increasing from 9.7 million customers nationwide per day in 2014.

Customers who shop at each 7-Eleven stores have different demands for products and services, depending on the age group and store location. Thus, the Company tries to assort products appropriate for customer groups in each store location. Plans are also made to prepare sufficient products and services for different time periods that customers come in to shop. Each store has different time periods in which it sells well – daytime, nighttime, working days, weekends, or even holidays or important events in each area.

In addition, the Company is prepared to service new customer groups which have a future rising trend. These new customer groups include the elderly, tourists, foreigners working in Thailand, and customers at the border trading areas which are increasing as a result of the establishment of the AEC.

Marketing and Competition in the Convenience Store Business

In 2015, the overall retail business posted low growth, mainly due to the Thai economic recovery which was slower than expected. Household consumption slowed down as a result of household expenses and debt obligations. The drought problem caused prices and production of agricultural products to fall, resulting in reduced income for farmers. Meanwhile, the economy of Thailand's major trading partners also slowed down, affecting the country's exports. Furthermore, the government's basic infrastructure investment projects were delayed. However, growth from the tourism industry positively contributed to spending circulating in various tourist destinations. Low world oil prices contributed to lower expenses and cost of production. In addition, the government's tax measures at the end of the year helped stimulate spending in the household sector in the short-term. Consequently, the overall retail business grew 3 percent in 2015.

In 2016, the government's measures to stimulate spending through investment in large infrastructure projects which will soon be implemented, entrance into the ASEAN Economic Community (AEC) which is expected to positively contribute to business in border areas, as well as tourism will be the major factors stimulating the domestic economy to grow and spending to recover. As a result, competition in the retail business in 2016 is expected to be intense as companies vie for market share.

With regards to fast changing consumer behavior and differences in consumer behavior according to group, retailers must constantly adapt to remain competitive. This includes store expansion to be able to reach more consumers, investment to improve existing stores, development of different store formats, One-Stop Services, and development of innovations and new channels to increase customers' convenience in accessing products and services such as E-Commerce, E-Payment, and product delivery. All of the above are necessary to create differentiation, excellent experiences for customers, and increased brand loyalty.

At present, Thai society has continuously developed into an urban society. Nuclear families, childless couples, people living alone, people who are single, and worsening traffic problems are on a rising trend. All these have brought about changes in the lifestyle and demands of consumers, making consumers give greater priority to convenience and speed. Consumers nowadays prefer ready-to-eat food and buy less items but with increased frequency. As a result, small retail stores near home are an important alternative that corresponds to the changing behavior of consumers.

Therefore, the Company continues to focus on its strategy to be the “Convenience Food Store” of the Thai people. The Company has continually introduced new products to the market such as ready-to-eat foods, fresh fruit, and fresh coffee in order to fulfill the demands of customers for every meal and any time of the day. The Company has also assorted necessary consumer products to satisfy the different lifestyles of consumers in each location. Furthermore, E-Commerce, Mobile Application, Digital Marketing, and Omni Channel have been developed to offer greater convenience to customers, giving them different means to access products and services 24 hours.

In 2015, the number of retail stores in the form of chain convenience stores increased 715 stores. From this total, most were from the expansion of 7-Eleven stores, while other operators mostly made improvements to their existing stores.

Number of convenience stores, both in communities and in gas stations

(Unit : stores)	2012	2013	2014	2015*
Stand alone convenience stores	9,526	10,404	11,153	11,727
• 7-Eleven stores	5,842	6,373	6,986	7,597
• Others	3,684	4,031	4,167	4,130
Convenience stores in gas stations	1,988	2,062	2,159	2,300
• 7-Eleven stores	980	1,056	1,141	1,235
• Others	1,008	1,006	1,018	1,065
Total convenience stores	11,514	12,466	13,312	14,027

Remark: Convenience outlets in chain store format

Source: Compilation by CP All Plc.

Business Strategy and Direction

The Company has a network of stores across the country as well as suppliers, business partners, and companies in the CP Group that support and cooperate in developing and assorting new products and services. The Company also has an efficient distribution system to deliver products and services to consumers as well as educational institutes and training companies to build quality personnel to support the growth of CP All’s business.

Moreover, the Company strives to continuously develop and improve its management to be more effective in terms of cost management and fast and quality work processes. The Company has adopted a customer-centric approach and emphasizes giving importance to all stakeholder groups. The Company manages its business under the theme “Together” We “Grow” “Forever” of the overall strategy, which comprises the following topics:

1. Store expansion in line with changes in population structure and lifestyle in each area

The Company focuses on creating a network of stores in good locations to provide convenience to customers and meet customers’ demands to the best of its ability. Thailand still has opportunities for growth and store expansion to different communities as the government policy supports investment

in basic infrastructure, both in Bangkok and the provinces. Growth of the tourism industry has also supported store expansion to the provinces, tourist destinations, and border areas.

In 2015, the Company opened 705 new stores. Currently, the proportion of stores in the provinces is 56 percent, covering 90% of districts countrywide. The Company's target is to reach a total of 10,000 stores in 2018. Besides expansion in the number of new stores, the Company is committed to maintaining the quality, growth, and sustainability of existing stores. The Company has plans to develop more stores in gas stations and stand-alone stores in response to expanding city boundaries and to cater to the behavior of consumers who are increasingly using personal vehicles. Meanwhile, household size is becoming smaller. Thus, people are buying more ready-to-eat products, buying products in less amount or smaller size, but with increased frequency. In response, the Company has been trying to develop products with appropriate size, both ready-to-eat food products and general consumer products.

Furthermore, the Company sees opportunities for expansion in the form of alliances with business groups, such as real estate developers, hospitals and educational institutes, to open new stores. There are also opportunities for adjusting store format and developing products and services to support the increasing number of tourists, especially Chinese tourists. "Grow" through New Developments; Increasing Revenue from Existing and New Stores; and Development of More Effective Work Processes Reducing Losses

2. Selection of differentiated products and services to cater to customer demands of each store

The Company has given importance to customer insight as well as the lifestyle of each consumer group. By monitoring the demographic changes of target customers, the Company can plan and adapt strategies in the assortment and development of products and services that have potential to respond to the changes in a timely manner, in line with customer behavior in each area.

The Company has emphasized creating differentiation through product development with Team Merchandising. Information from research and advice from experts are used to ensure that the new products and services meet customers' demands in terms of quality, package size, appropriate price, and purchasing power of target groups. In addition, the Company focuses on creating differentiation from competitors by selling the products first in 7-Eleven stores or making the products available only at 7-Eleven stores. These are products in the food and beverage category and health and beauty products.

3. Striving to become the convenience food store, responding to the changing behavior and lifestyle of consumers to create differentiation and value-added in the long run

Striving to become a full format convenience food store, the Company has developed and increased the proportion of products in the food and beverage category in order to satisfy the demands of daily life, both main meals and snacks, corresponding to the behavior of customers that can eat up to 7 meals per day. Focus is given to developing menus that are varied, delicious, reasonably priced, and can cater to the demands of customers in every group. Examples include development of vegetarian menus and ready-to-eat vegetables and fruits in order to satisfy customers who are health and beauty conscious. In addition, Japanese sushi, egg menus, dessert, ready-to-eat fresh fruits, and All Café fresh coffee are products which are popular among customers who demand convenience and speed in their lives. In 2015, ready-to-eat

food products accounted for 22%. Over 5,400 stores sold chilled ready-to-eat meals to meet the demands of customers in as many areas as possible.

The Company is committed to improving its value chain management including selection of raw materials, production, distribution, and food quality control in collaboration with Team Merchandising using global best practices. Moreover, development of staff to be able to effectively manage food products is another priority of the Company.

The Company also gives great importance to food safety by selecting and checking manufacturers who have passed acceptable standards. The Company provides knowledge and communicates to store employees about good management of products especially those in the food category. In addition, the quality assurance system randomly inspects foods and beverages sold in the stores on a regular basis.

4. Increasing access to the Company's products and services through new channels

Fierce competition has led to development of products and services and new distribution channels which will increase access to the Company's products and services. In the past, the Company has expanded investment in various businesses which are related to the convenience store business in order to create business networks. These include Counter Service (a bill payment service) and enlarging the variety of products in 7-Eleven stores under various brands such as Book Smile (books and printed material), Kudsun (freshly baked bakery and freshly brewed coffee), eXta (health and beauty products), All Café (fresh coffee corner), People's Café Project (coffee creating professions for society and communities), and a new business to satisfy the demands of new generation customers and consumers with an online system that was developed from the 7-Catalog unit, to be managed in the form of a company under the name, 24 Shopping Co., Ltd.

The Company has never ceased to search for new innovations to better respond to consumers' demands. With regards to Counter Service, the Company has negotiated to expand the variety of payment services offered to provide greater convenience to customers in line with their lifestyles. In 2015, over 500 business partners accepted payment through Counter Service for over 1,300 kinds of services. In addition, the Company expanded cooperation with educational institutes to make application payment for Admissions and tuition payment available through Counter Service. 7-Eleven stores also sell vehicle insurance and accept online payment for products. Moreover, to satisfy today's consumers who have less time and require greater convenience, the Company has tried delivery of small packages via 7-Eleven stores nationwide. Customers can receive the packages 24 hours. The "White Horse" delivery service is operated by Dynamic Management Co., Ltd., a company in the CP All Group.

The Company has developed new channels for customers to access its products and services, such as selling products through e-commerce under the management of 24 Shopping Co., Ltd. The Company has also developed channels for communicating news and receiving feedback from consumers through "7-Eleven Thailand" Facebook and "7-Eleven TH" application as well as organized marketing activities such as giving promotional coupons via the mobile application.

5. Creating networks and business alliances for cooperation and further business advancement

The major challenges in operating the business are competition and the ever-changing demands of consumers. Therefore, managing the business nowadays has to change to forming alliances and working as a team. The Company has partnered with manufacturers and the government, private and education sectors in search of know-how and best practices from around the world, especially from 7-Eleven networks, as a guide in advancing its business and developing innovations with a customer-centric focus.

The Company is aware of the importance of building networks and business alliances to augment its strengths and competitive advantage. Thus, the Company has a policy to treat business partners fairly since commencing business together. This is stated in the code of business ethics towards business partners that the executives of CP All and its subsidiaries, as the Company's representatives, must follow in performing their work. On 7 November 2015, the Company opened the Partnership Feedback Center as a channel for business partners to directly contact the Company's executives.

The Company has organized the Advanced Retail Management Program with the aim of sharing retail knowledge from the real life experiences of the Company's executives with other interested operators and executives of various businesses so that they may adapt the concepts to their business. In addition, the program provides opportunities to create partnerships among different businesses which will be beneficial to future business. The seminars have been organized regularly since 2008. To date, the seminars have been organized a total of 21 times.

Furthermore, the Company has a policy to promote and support SMEs and researchers who have new work or inventions relating to innovation in order to expand the results commercially towards innovation at the national level. In partnership with 11 government and private organizations, the Company has implemented the "Collaboration to Drive Innovations for the Country" Project. The testing and incubation of the research work or new invention with customers or consumers in the market was done through the 7 Innovation Awards 2015, which has been organized for the 2nd year. Over 200 projects joined the competition. The 7 Innovation Awards offers an opportunity for SME operators to have new market channels through over 8,800 7-Eleven stores and 24 Shopping Co., Ltd., which has distributions channels through 7-Catalog, Customer Service Center, and E-commerce.

6. Preparedness in terms of employees; increasing acceptance from customers, society and communities; and organizational development for sustainability through innovation

6.1 Preparing capable and dedicated employees to be sufficient for business expansion

The Company fully recognizes that employees are key to the Company's operations and sustainable growth. Therefore, the Company has given importance to human resource development while managing the business under the corporate philosophy, "Through happy employees, we desire to see smiles from customers". Not only does the Company place importance on creating customer satisfaction, but it also pays close attention to all processes that create value for customers. The Company pays special attention to the commitment of employees through the Employee Engagement Survey which is conducted annually to study the

opinions and relationship of employees. The survey results are used to develop and improve work processes, employee welfare, and treatment of employees in the organization so that employees have devotion and pride in the Company. This will reflect in employees providing value and services with happiness to customers.

The Company focuses on improving organizational potential through developing the potential of employees and creating an atmosphere conducive to working as a team. The Company has a strong organizational culture and Plan-Do-Check-Act (PDCA) is emphasized. The Company encourages learning, transfer and sharing of knowledge, work experiences and best practices in a systematic manner for improvement of work processes and further innovation within the organization.

The Company promotes education and human resource development through the bilateral education system or work-based learning, which was developed in cooperation with the Office of Vocational Education. This eventually led to the establishment of Panyapiwat Technological College to provide vocational education. The education level and accessibility was further expanded through establishment of learning centers in Bangkok and its vicinities and in the provinces. Furthermore, Panyapiwat Institute of Management was established to expand the education level to bachelor's level, master level and later to doctoral level. In addition, the Company collaborated with the education sector to develop retail management programs to be abreast of consumer changes and new businesses in order to build retail personnel who are able to effectively respond to changes.

6.2 Instilling a service-minded culture at all levels to create differentiation and excellent experiences for customers

With more than 11 million customers per day and over 8,800 stores across the country, the main factor that customers give importance to is good service. In particular, nowadays customers have numerous spending alternatives and give more thought before purchasing. At the same time, customers are ready to change brands if they are dissatisfied.

In this connection, the Company recognizes the importance of store employees in creating pleasant and memorable experiences for customers through their eagerness and attentiveness in providing services and solving problems for customers in order to create satisfaction and long-term brand loyalty. Therefore, the Company has given priority to developing service standards with service from the heart as a trait and organizational culture, in order to deliver products and services to customers with smiles and service standard of employees.

6.3 Increasing acceptance and trust from customers, partners and society

Acceptance and trust from customers, partners and society is essential in operating a business. Therefore, knowing the opinions, satisfaction and feedback of different stakeholder groups is beneficial for improving management to meet the expectations of stakeholders. This will bring about strong business relationships and long-term growth together. The Company

has commissioned projects to study the opinions and satisfaction of stakeholders annually. These include the Customer Relationship Improvement Project, Customer Experience Monitoring Project, Franchisee Engagement Index (FEI), CP ALL and Franchisee Employee Engagement Survey, and Survey of Stakeholders towards the Corporate Social Responsibility of CP ALL.

At the same time, the Company has continuously implemented activities to develop and improve society and communities. The Company provides support in the areas of education and youth development as well as the environment such as the project to reduce plastic bag usage and the project to reduce energy use and increase efficiency of energy use in stores, office buildings, and distribution centers. In addition, the Company gives importance to the joint existence and growth of modern and traditional retail operators as well promoting SMEs. Support is given by providing knowledge; helping improve quality and standards; and organizing seminars under the topic “Strategies for Sustainable Retail Businesses” in cooperation with the Department of Internal Trade both in Bangkok and the provinces for 8 consecutive years totaling 26 times. The Company has also signed the “MOU on the Promotion and Support of SMEs’ Competency” with the Office of SMEs Promotion and opened opportunities for quality SME products that are popular among the public to be distributed in 7-Eleven stores. The Company has continued to increase the ratio of SME products in 7-Eleven stores.

6.4 Organizational development for sustainability through innovation

Creating innovation is the heart of development of new products and services to achieve competitive advantage and sustainable business growth. As a result, the Company has a project to promote an “innovation culture” in the organization by stimulating employees to think out of the box. This will lead to creative ideas in terms of product innovation, process innovation, service innovation, and business model innovation. The Company also emphasizes integration of internal operational processes to be efficient, saving time and cost. Focus is given to new developments to better satisfy the needs of customers. The Company has opened the stage for internal competition through the “Process Excellence Award” Project which has been organized for the 4th consecutive year. This project aims to create an atmosphere for development and improvement of work processes through cooperation with both internal departments and business partners.

Besides building an innovation culture, the Company places importance on building networks and business alliances for cooperation and teamwork with the manufacturing sector, education sector, government sector, business operators both in the same and different industries, and communities in order to create innovation for the country and value added for products and services in a sustainable manner.

Delivery of Products and Services

The Company strives to continuously develop its value chain to deliver the best to customers. Apart from improving services at the stores which is the direct contact point with customers, the Company has

continuously developed physical distribution, both increasing the number of distribution centers in appropriate locations to support store expansion and increasing the efficiency and effectiveness of physical distribution. In 2015, an additional regional distribution center for consumer products and temperature-controlled products was opened in Chonburi Province. As a result, the Company has a total of 7 regional distribution centers for consumer products and temperature-controlled products, making it the retailer with distribution centers covering the largest area in Thailand. In 2016, the Company has plans to expand distribution centers for temperature-controlled products in Surat Thani Province and Lamphun Province.

The Company focuses on strict quality control in every step of its product distribution, including timely delivery and increased delivery frequency, in order to meet store demand completely, correctly and promptly and to ensure product quality until reaching customers. In addition, the Company has established a project to guarantee Good Manufacturing Process (GMP) standards at the distribution centers to further ensure quality and safety of products delivered to customers.

Cash and Carry Business

Types of Products or Services

Siam Makro Public Company Limited is the operator of membership based Cash and Carry Trade Centres, registered under the name of “Makro”, throughout Thailand. Makro is committed to be 1st choice supplier to professional food business operators i.e. food retailers, HORECA, distributors, services and etc. Meantime, Makro enhances satisfaction for thier core customers through various projects and activities for customer development. As a result, Makro currently has more than 2.8 million memberships. In addition, Makro continually develops products and services to truly meet the demands of retailers and professional food business operators. Furthermore, Makro has organized activities to help small retailers to be able to grow and be competitive in the current challenging environment under the campaign “ Makro Retailer Alliance (MRA)”, “Food Retailer Day”, ”Retail Expo” and “Makro Horeca”.

Makro Stores

At the end of 2015, Makro had a total of 91 stores, an increase of 14 stores. All Makro stores have been designed to serve customers who are business operators, with average selling space of 1,000 - 12,000 square meters per store depending on business potential and core customers of each store. The majority area is allocated for varied food products and is appropriately positioned according to the demands of core customers. Futhermore, Makro has been introduced a small frozen food shop so called “Siam Frozen” totaling of 7 stores.

Nature of Customers

Currently, Makro’s core customer groups consist of:

Retailers : Retail operators selling consumer products that are scattered across the country, including grocery stores, minimarts and stationery stores

HoReCa : Operators of Hotels, Restaurants and Catering, including small restaurants, food stalls, and food carts. Most are small and medium sized operators that sell a variety of foods

Service businesses : Government agencies and various professional businesses including companies, government organizations, schools, beauty parlors, printing houses, laundry shops, and operators in the service sector

Future Business Plan

To ensure that Makro achieves its growth targets and business expansion amid intense competition and economic fluctuation, Makro has adopted a customer-centric strategy, focusing on developing business formats that can satisfy the different demands of various target groups, including retail customers and operators of Hotels, Restaurants and Catering (HoReCa). Makro has developed new store formats and new products and services as well as continued with development projects such as introducing new operating systems and opening new distribution centers with the objective of supporting the main business coupled with building a strong foundation for the organization. In addition, Makro, as a subsidiary of CP All which is a company in the Charoen Pokphand Group, has good opportunity to use the knowledge, expertise and experience from the Charoen Pokphand Group, which is a food conglomerate in Thailand with experience in overseas market expansion, to augment its business strength to be able to grow sustainably in the future.

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

RISK FACTORS

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 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 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 27 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 signed date. 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. 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 from Distribution Center and Logistic Error or Problem

Most of the products sold in 8,832 7-Eleven stores nationwide are delivered via the Company’s distribution centers, with more than two thousand manufacturers and suppliers delivering their products to the distribution centers according to the given delivery date. Therefore, the distribution centers play a vital role in 7-Eleven’s business in distributing products to stores across the country in a correct, complete and timely manner. Errors or problems at the distribution center and disruption of transport route due to floods, fire, communication system and information technology failure, severe accidents, or any force majeure from the supply chain system from the manufacturer to distribution centers and then delivery at the stores, will have an adverse impact on the sales of all 7-Eleven stores and business opportunity, and may negatively affect the Company’s operating performance.

The Company's Risk Management

The Company has followed its strategies to increase the new distribution center in a safe area, scattered in the vicinities and provinces throughout the country, in order to reduce risk and support store expansion in the future. The new distribution center for consumer products and temperature controlled products in Chonburi has officially started its operation in September 26, 2015, as well as the distribution center in Chiang Mai to support the distribution of ready to eat food products.

Such a strategy makes the distribution centers of the company being operate as a distribution network across the country to back up each other. In case if any place where a disruption or major transportation routes were not passable. The network will effectively support one another leading the store to continue their service to customers.

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

The Company has also collaborated with key suppliers to develop a Business Continuity Plan (BCP) to prepare products and deliver them during crises. In the case of the worst crisis, the Company has appropriately bought insurance to compensate for loss, covering distribution centers, stores and subsidiary companies. However, there are still risks which various plans and insurance may not completely prevent and compensate. Besides, the Company still has to depend on manufacturers and suppliers to deliver their products to the distribution centers. Delivery errors of both manufacturers and suppliers may also negatively affect the Company's sales volume.

Risk from Information Technology Error or Problem

The Company has invested in important information technology systems, comparable to the brain of the business, for ordering and communicating to all units in the supply chain to effectively deliver excellent services and create smiles for more than 10.9 million people per day. These systems include the store point of sale system, Call Center, ordering and delivery system, and etc. Therefore, an error or problem in the information technology systems will affect the business operations and ability to serve customers at 7-Eleven stores and may negatively affect the Company's operating performance.

The Company's Risk Management

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

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

The Company has a full range of security system for its 2 IT centers, beginning with the design of their safety in every section under the proper environment. A backup generator systems, UPS, smoke and fire detection systems, intrusion detection systems and inhibit mobility, backup air conditioning, and power feed system pairs each, including system maintenance have been also installed. In addition, the Company has a team of experts of stability and security system throughout 7days / 24 hours. The Company also regularly reviews its Business Continuity Management with regards to information technology for continued development in this area. Furthermore, apart from regular check up by the internal audit team, an external audit company tests on the IT system annually for the highest assurance of the Company's information technology system.

Risk from Controlling Influence of the Charoen Pokphand Group

The Charoen Pokphand Group has direct and indirect control over the Company. In the Consent Agreement with 7-Eleven, Inc., CPG agrees to maintain its minimum shareholding ratio as well as its power to appoint and control the majority of the Company's directors. As at December 30, 2015, companies in the Charoen Pokphand Group continue to hold an aggregate 40.65 percent stake. Therefore, the Charoen Pokphand Group will be able to appoint the majority of the directors and remain influential to the management and administration of the Company, including consideration of or support for matters that require approval from the Company's shareholders.

At present, there is no agreement between the Company and the Charoen Pokphand Group and its affiliates that will prohibit the Charoen Pokphand Group to expand businesses or invest in other retail operations. Therefore, there may be a risk that the Charoen Pokphand Group will not consider granting opportunities and resources that will be of best interest to the Company and its shareholders.

The Company's Risk Management

The Company has independent directors and the Audit Committee to assure that business policies and directions will be considered for the best interests of all shareholders. In addition, the Company has formulated a policy and regulations concerning connected transactions and has published a guideline for good corporate governance so that all stakeholders benefit equitably. In addition, the Company has a business administration policy which taking into account the interests of the Company towards all stakeholders equally.

Risks from Laws and Government Policies

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

The Company's Risk Management

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

In addition, the Company has established working groups and units to look after different stakeholder groups. These include the Product Liability Committee to look after the benefits of consumers and franchisees. The Company also has the Safety, Health and Environment Committee to take care of environments which may impact on society, communities around the stores and office, not to mention, the Call Center who provides advice and assistance regarding the Company's activities at timely manner, 24 hours.

Financial Risk

As at 31 December 2015, the Company and subsidiaries had total liabilities of Baht 287,407 million with interest bearing debts of Baht 189,486 million and net debt to equity ratio of 4.0 times.

The Company is exposed to foreign currency risk relating to borrowings from financial institutions, purchases and sales of goods which are denominated in foreign currencies. The Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

The Company's Risk Management

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. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

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.

Furthermore, most of the Company's interest bearing debts is in a form of fixed interest rate Thai Baht bonds totaling of Baht 173,000 million. The Company plans to continuously reduce leverage ratio from using internal cash flow from operation to repay loans; thus, such ratio tends to be lower. In addition, debt covenants of CPALL bonds are stipulated as follows:

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

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

The Company's Risk Management

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

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

GENERAL INFORMATION AND OTHER INFORMATION

General Information

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

CP All Public Company Limited (“the Company”) is operating convenience stores under the “7-Eleven” trademark as a main business. The symbol of the Company’s stock that 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, 2015, the Company has registered capital at Baht 8,986,296,048, of which Baht 8,983,101,348 has been paid up. The paid-up capital comprises 8,983,101,348 ordinary shares with a par value of Baht 1 per share.

Company Head Office is located at

283 Silom Road, Silom Sub-district, Bangrak District, Bangkok

Telephone : 0 2677 9000

Fax : 0 2679 0050

Homepage : www.cpass.co.th

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

1. Counter Service Co., Ltd.

Type of business : Bill payment collection and life insurance and non-life insurance broker

Registration number : 0105537086432

Head office : 119 Tara Sathorn Tower Floor 4-6 Soi Sathorn 5, South Sathorn Road
Thungmahamek, Sathorn, Bangkok

Homepage : www.counterservice.co.th

Shareholding : 99.99%

Paid up capital : Baht 70 million

Par value : Baht 10 per share

2. CPRAM Co., Ltd.

Type of business : Manufacturing and sale of convenience foods and bakery

Registration number : 0105531097556

Head office : 177 Moo 4 Thane-Lat Lum Kaeo Road, Raheang, Lat-Lumkaew, Pathum Thanee

Homepage : www.cpram.co.th

Shareholding : 99.99%

Paid up capital : Baht 600 million

Par value : Baht 10 per share

3. CP Retailink Co., Ltd.

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

4. Gosoft (Thailand) Co., Ltd

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

5. MAM Heart Co., Ltd.

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

6. Dynamic Management Co., Ltd.

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

7. Suksapiwat Co., Ltd.

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

8. Panyatara Co., Ltd.

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

9. Thai Smart Card Co., Ltd.

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

10. Panyapiwat Institute of Management

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

11. Panyapiwat Technological College

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

12. True GS Co., Ltd.

Type of business	:	Online business
Registration number	:	0105554069842
Head office	:	18 True Tower Ratchadapisek Road, Huay Kwang, Bangkok
Homepage	:	None
Shareholding	:	10.0%
Paid up capital	:	Baht 240 million
Par value	:	Baht 100 per share

13. All Training Co., Ltd.

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

14. All Corporation Co., Ltd.

Type of business	:	Investment business
Registration number	:	0105556063400
Head office	:	119 Tara Sathorn Tower 8 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok
Homepage	:	None
Shareholding	:	99.99%
Paid up capital	:	Baht 12.5 million
Par value	:	Baht 10 per share

15. OHT Co., Ltd

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

16. Siam Makro Holding (Thailand) Ltd.

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

17. Siam Makro Public Company Limited

Type of business	:	Cash and Carry business
Registration number	:	0107537000521
Head office	:	3498 2 nd Floor, Lardprao Road, Klongchan, Bangkok, Bangkok
Homepage	:	www.siammakro.co.th
Shareholding	:	97.88%
Paid up capital	:	Baht 2,400 million
Par value	:	Baht 0.50 per share

18. Lotus Distribution Investment Limited

Type of business	:	Investment business
Registration number	:	297897
Head office	:	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	USD 126.2 million

19. Successor Investments Limited

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

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

Type of business : Commercial Trading
Registration number : 320100400049729
Head office : 44 Shui Zuo Gang, Gulou District, Nanjing City, PRC
Homepage : None
Shareholding : 100%
Paid up capital : USD 10 million

21. Successor (China) Investments Limited

Type of business : Investment business
Registration number : 320100400051263
Head office : Movie&TV City, Shiqiu Town, Lishui County, Nanjing City, PRC
Homepage : None
Shareholding : 100%
Paid up capital : USD 115 million

22. Albuera International Limited

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

23. Siam Food Services Limited

Type of business	:	Commercial Trading
Registration number	:	0105527032739
Head office	:	2439 Old Paknam Railway Road Prakhanong, Klongtoey, Bangkok
Homepage	:	www.siamfoodservices.com
Shareholding	:	97.88%
Paid up capital	:	Baht 45 million
Par value	:	Baht 100 per share

24. Vina Siam Food Co., Ltd.

Type of business	:	Commercial Trading
Registration number	:	411043002045
Head office	:	56 Pham Ngoc Thach Street, Ward 6, District 3, Ho Chi Minh City, Vietnam
Homepage	:	www.vinasiamfood.com.vn
Shareholding	:	97.88%
Paid up capital	:	USD 2.5 million

25. Twenty Four Shopping Co.,Ltd.

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

26. Nanjing Tianqu Investment Management Co.,Ltd.

Type of business	:	Investment Business
Registration number	:	310115001767940
Head office	:	Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, the PRC
Homepage	:	None
Shareholding	:	100%
Paid up capital	:	Renminbi 700 million

27. Nanjing Tech University Pujiang Institute

Type of business : Education Business
 Registration number : Su Min Zheng Zi No. 010192
 Head office : No. 96 Tangfeng Road, Shangfeng Town, Jiangning district, Nanjing city, PRC
 Homepage : <http://en.njppi.cn>
 Shareholding : 100%
 Paid up capital : Renminbi 50 million

28. Makro ROH Co., Ltd.

Type of business : Technical Advice and Supporting Service of the Group
 Registration number : 0105557153364
 Head office : 3498 2nd Floor, Lad Prao Road, Hua Mak, Bangkapi, Bangkok
 Homepage : None
 Shareholding : 97.88%
 Paid up capital : Baht 31.25 million

29. Pro Mart Co.,Ltd.

Type of business : Sale of consumer products
 Registration number : 0105558034130
 Head office : 3498 2nd Floor, Lad Prao Road, Hua Mak, Bangkapi, Bangkok
 Homepage : None
 Shareholding : 97.88%
 Paid up capital : Baht 2.5 million with 100,000 shares at par value of Baht 25

30. Aro Co, Ltd.

Type of business : Marketing and consulting services in Myanmar
 Registration number : 889 FC/2014-2015
 Head office : Room No. 202 Condo A, Shwe Hinthar Condominium, Pyay Road,
 Hlaing Township, Yangon, Myanmar
 Homepage : None
 Shareholding : 97.88
 Paid up capital : USD 90,000

(3) Other references

Registrar

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building

93 Rachadapisek Road

Din Daeng, Bangkok 10400

Telephone : 0 2009 9999 (Call Center)

Website : www.set.or.th/tsd

Auditor

Charoen Phosamritlert

Certified Public Accountant Registration No. 4068

KPMG Poomchai Audit Ltd.

195 Empire Tower, Floor 50-51

Sathorn Road, Sathorn district Bangkok

Telephone : 0 2677 2060

Debenture holders' Representative

Krungthai Bank Public Company Limited

977/3 SM Tower 4th Floor

Paholyothin Road, Sam Sen Nai, Payathai, Bangkok 10400

Telephone : 0 2298 0821 Ext. 108

Other Information

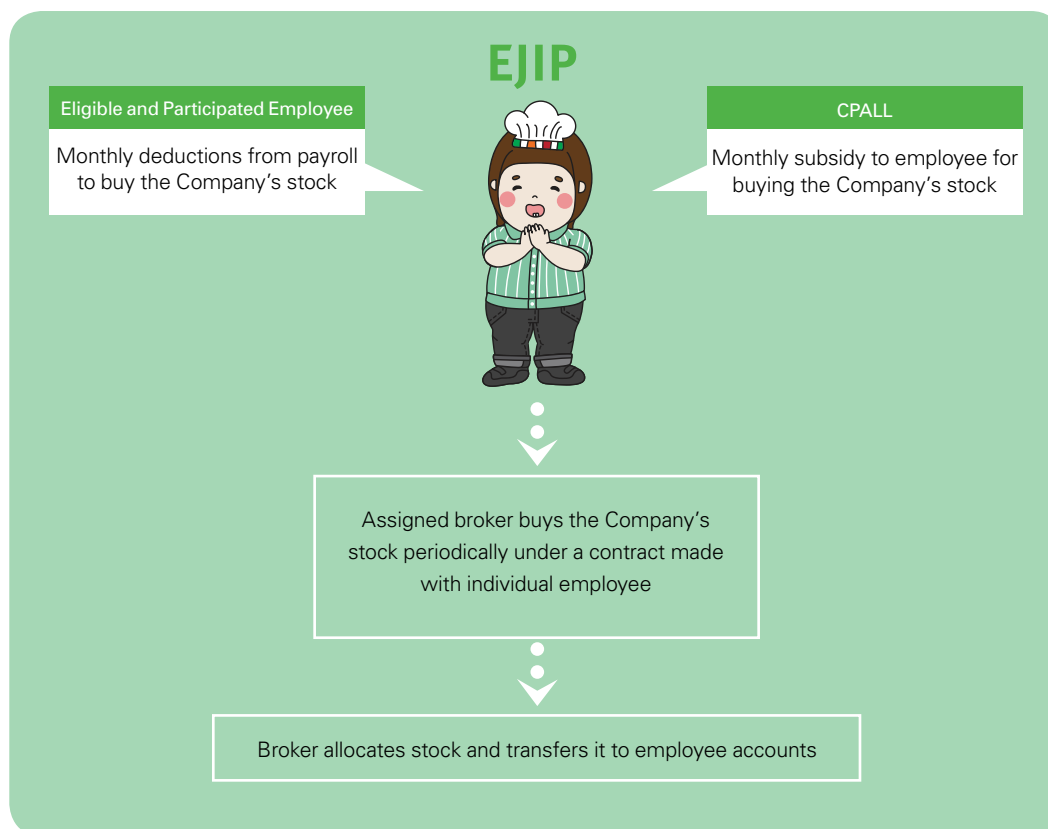
Summary of the Employee Joint Investment Program (EJIP) No. 2

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.2 with the following criteria.

1. Nature of EJIP

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

2. EJIP Arrangement



Type of Stock	Ordinary shares of CPALL trading in the Stock Exchange of Thailand
Frequency of Investment	Specified date on a monthly basis
Investment Amount (Per Employee)	Employee - 5% or 7% of salary (on a voluntarily basis) Company - 80% of the deductible amount from the employee in each month
Duration	July 2012 - June 2017 (Total 5 years)
Method of Payment	Buying - employee's deduction from monthly salary and the Company's contribution Selling - broker transfers money from stock sale to employee's bank account
Stock Purchase	Automatic purchase as stated in the contract
Stock Delivery	Delivered to individual employee account opened with the broker
Benefits to Employee	Employee receives dividend payment as shareholder Employee receives capital gain when the right to sell stock exist. Other rights such as rights issue, warrant, shareholders' meeting
Selling Stock	Employee has the right to sell stock during the specified period in the contract.
Tax	Employee must pay personal income tax on the contribution amount received from the Company. Company can claim tax deductible on the contribution amount.

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.

SECURITIES DETAILS AND SHAREHOLDING STRUCTURE

Securities of the Company

As at December 31, 2015, the Company registered capital with Ministry of Commerce was Baht 8,986,296,048, of which Baht 8,983,101,348 had been paid up. The paid up capital comprises of 8,983,101,348 ordinary shares with a par value of Baht 1 per share, entitling of 1 share / 1 vote.

Name list of Shareholders

Major Shareholders	As at 30 December, 2015	
	No. of shares	%
1. C.P. Merchandising Co., Ltd.*	2,935,237,600	32.68
2. Charoen Pokphand Group Co., Ltd.*	716,367,400	7.97
3. Thai NVDR Co., Ltd	456,569,173	5.08
4. Norbax, Inc.	358,611,657	4.00
5. State Street Bank Europe Limited	357,952,933	3.99
6. Chase Nominees Limited	300,456,992	3.35
7. UNS Agro Chemical Co., Ltd.	180,000,000	2.00
8. State Street Bank and Trust Company	165,723,512	1.84
9. AIA Company Limited-DI-LIFE	163,328,500	1.82
10. The Bank of New York (Nominees) Limited	119,828,117	1.33
11. Merrill Lynch International	110,000,000	1.22
12. Others	3,119,025,464	34.72
Total	8,983,101,348	100.00

* Denotes companies in the Charoen Pokphand Group which hold a combined shareholding of 40.65 percent of the total paid-up capital

Other Securities

The Extraordinary General Shareholders' Meeting No.2/2013 on September 19, 2013 and Annual General Meeting of Shareholders No.1/2014 dated April 24, 2014 approved the offering and issuance of the bonds up to Baht 180,000 million in order to repay loans and/or to be used as working capital.

As at December 31, 2015, the Company offered and issued bonds of 6 times in the total amount of Baht 173,000 million as details below:

No. 1/2013

Offering	Public Offering, High net worth, and Institutional investors
Bond Type	Name registered, Secured Unsubordinated bonds
Issue Date	October 31, 2013
Issue Size	Baht 50,000 million
Tenors	3 years from original issue date 5 years from original issue date 7 years from original issue date 10 years from original issue date
Interest Rate	3-year bond with interest rate of 4.10 percent per annum 5-year bond with interest rate of 4.70 percent per annum 7-year bond with interest rate of 5.10 percent per annum 10-year bond with interest rate of 5.35 percent per annum
Maturity Date	3-year bond matures on October 31, 2016 5-year bond matures on October 31, 2018 7-year bond matures on October 31, 2020 10-year bond matures on October 31, 2023
Issue Rating	"A+ (tha)" by Fitch Ratings (Thailand) Limited

No. 1/2014

Offering	Public Offering, High net worth, and Institutional investors
Bond Type	Name registered, Secured Unsubordinated bonds
Issue Date	March 27, 2014
Issue Size	Baht 40,000 million
Tenors	3 years from original issue date 5 years from original issue date 7 years from original issue date 10 years from original issue date

Interest Rate	3-year bond with interest rate of 3.70 percent per annum 5-year bond with interest rate of 4.30 percent per annum 7-year bond with interest rate of 4.85 percent per annum 10-year bond with interest rate of 5.14 percent per annum
Maturity Date	3-year bond matures on March 27, 2017 5-year bond matures on March 27, 2019 7-year bond matures on March 27, 2021 10-year bond matures on March 27, 2024
Issue Rating	“A+ (tha)” by Fitch Ratings (Thailand) Limited

No. 2/2014

Offering	Public Offering, High net worth, and Institutional investors
Bond Type	Name registered, Secured Unsubordinated bonds
Issue Date	August 22, 2014
Issue Size	Baht 40,000 million
Tenors	3 years from original issue date 5 years from original issue date 7 years from original issue date 10 years from original issue date
Interest Rate	3-year bond with interest rate of 3.71 percent per annum 5-year bond with interest rate of 4.25 percent per annum 7-year bond with interest rate of 4.75 percent per annum 10-year bond with interest rate of 5.05 percent per annum
Maturity Date	3-year bond matures on August 22, 2017 5-year bond matures on August 22, 2019 7-year bond matures on August 22, 2021 10-year bond matures on August 22, 2024
Issue Rating	“A+ (tha)” by Fitch Ratings (Thailand) Limited

No. 3/2014

Offering	High net worth, and Institutional investors
Bond Type	Name registered, Secured Unsubordinated bonds
Issue Date	December 26, 2014
Issue Size	Baht 10,000 million
Tenors	3 years from original issue date 12 years from original issue date
Interest Rate	3-year bond with interest rate of 3.45 percent per annum 12-year bond with interest rate of 4.80 percent per annum

Maturity Date	3-year bond matures on December 26, 2017 12-year bond matures on December 26, 2026
Issue Rating	“A+ (tha)” by Fitch Ratings (Thailand) Limited

No. 1/2015

Offering	High net worth
Bond Type	Name registered, unsecured and unsubordinated bonds
Issue Date	March 20, 2015
Issue Size	Baht 20,000 million
Tenors	2 years from original issue date 5 years from original issue date
Interest Rate	2-year bond with interest rate of 3.55 percent per annum 5-year bond with interest rate of 4.10 percent per annum
Maturity Date	2-year bond matures on March 20, 2017 5-year bond matures on March 20, 2020
Issue Rating	“A (tha)” by Fitch Ratings (Thailand) Limited

No. 2/2015

Offering	High net worth, and Institutional investors
Bond Type	Name registered, unsecured and unsubordinated bonds
Issue Date	June 30, 2015
Issue Size	Baht 13,000 million
Tenors	3 years from original issue date 5 years from original issue date 7 years from original issue date 10 years from original issue date
Interest Rate	3-year bond with interest rate of 2.98 percent per annum 5-year bond with interest rate of 3.65 percent per annum 7-year bond with interest rate of 4.10 percent per annum 10-year bond with interest rate of 4.45 percent per annum
Maturity Date	3-year bond matures on June 30, 2018 5-year bond matures on June 30, 2020 7-year bond matures on June 30, 2022 10-year bond matures on June 30, 2025
Issue Rating	“A (tha)” by Fitch Ratings (Thailand) Limited

Shareholdings of the Company by Directors and Management

As of December 31, 2015

Name/Designation	2015		2014		Increase/ Decrease
	No. of share (shares)	% to paid-up 8,983,101,348	No. of share (shares)	% to paid-up 8,983,101,348	
Prof. Dr. Komain Bhatrabhirom Chairman of the Audit Committee and Independent Director	-	0.00000%	-	0.00000%	-
Mr. Pridi Boonyoung Audit Committee and Independent Director	681,478	0.00759%	681,478	0.00759%	0.000%
Mr. Padoong Techasarintr Audit Committee and Independent Director	9,824	0.00011%	9,824	0.00011%	0.000%
Prof. Suphachai Phisitvanich* Independent Director	-	0.00000%	-	0.00000%	-
Pol. Gen Phatcharavat Wongsuwan Independent Director	-	0.00000%	-	0.00000%	-
Mr. Dhanin Chearavanont Chairman	1,531,476	0.01705%	1,531,476	0.01705%	0.000%
Mr. Korsak Chairasmisak Vice Chairman and Chairman of Executive Committee	8,624,550	0.09601%	8,478,661	0.09438%	1.721%
Mr. Adirek Sripratak Director	-	0.00000%	-	0.00000%	-
Mr. Umroong Sanphasitvong Director and Member of Executive Committee	-	0.00000%	-	0.00000%	-
Mr. Soopakij Chearavanont Director	222,396	0.00248%	222,396	0.00248%	0.000%
Mr. Narong Chearavanont Director	304,802	0.00339%	304,802	0.00339%	0.000%
Mr. Prasert Jarupanich Director	-	0.00000%	-	0.00000%	-
Mr. Pittaya Jearavisitkul Director and Vice Chairman of Executive Committee	1,763,262	0.01963%	1,696,885	0.01889%	3.912%

* Prof. Suphachai Phisitvanich passed away on January 19, 2016.

Name/Designation	2015		2014		Increase/ Decrease
	No. of share (shares)	% to paid-up 8,983,101,348	No. of share (shares)	% to paid-up 8,983,101,348	
Mr. Piyawat Titasattavorakul Director and Vice Chairman of Executive Committee	192,326	0.00214%	141,153	0.00157%	36.254%
Mr. Tanin Buranamanit Director, Member of Executive Committee Managing Director and Chief Executive Officer	326,045	0.00363%	277,453	0.00309%	17.514%
Mr. Wisade Wisidwinyoo Member of Executive Committee	96,982	0.00108%	76,663	0.00085%	26.504%
Mr. Suraphan Pussadej Senior Assistant Chief Executive Officer - Human Resource	357,078	0.00397%	342,793	0.00382%	4.167%
Mr. Chuan Nimkittikul Senior Vice President - Distribution Center	704,886	0.00785%	683,641	0.00761%	3.108%
Mr. Suwit Kingkaew Senior Vice President - General Management	610,650	0.00680%	593,396	0.00661%	2.908%
Mr. Taweesak Kaewrathtanapattama Senior Vice President - Accounting and Finance	402,745	0.00448%	349,448	0.00389%	15.252%
Mr. Kosa Pongsupath Senior Vice President - Information Technology	287,580	0.00320%	226,335	0.00252%	27.059%
Mr. Skol Tejasataporn Senior Vice President - Purchasing	166,289	0.00185%	149,213	0.00166%	11.444%
Mr. Chairaj Tiwatumcharoen Senior Vice President - Operation	455,260	0.00507%	427,912	0.00476%	6.391%
Mr. Vichien Chuengviroj Senior Vice President - Corporate Asset and Facilities Management	47,726	0.00053%	48,078	0.00054%	-0.732%
Mr. Supot Shitgasornpongse Company Secretary	216,382	0.00241%	192,684	0.00214%	12.299%
Mr. Kidsada Euapiyachart Secretary of Audit Committee	53,233	0.00059%	38,611	0.00043%	37.870%

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.

Subsidiaries' Dividend Policy

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

Dividend distribution

Dividend payment	2010	2011	2012	2013	2014
1. Earnings per share - Company only (Baht/share)	1.37	1.62	1.11	1.14	0.97
2. Annual Dividend					
■ Interim dividend (Baht/share)	0.04	-	-	-	-
■ Annual dividend (Baht/share)	1.00	1.25	0.90	0.90	0.80
• Total (Baht/share)	1.40	1.25	0.90	0.90	0.80
• Stock dividend (Baht/share)	-	1.00	-	-	-
3. Dividend payout - Company only	102%	139%	81%	79%	83%

Note: In 2011, CPALL increased share capital in regard to stock dividend at the ratio of 1 existing share : 1 stock dividend

MANAGEMENT STRUCTURE

I. Board of Directors

As of December 31, 2015, the Company's Board of Directors consists of 15 members including:

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

Definitions

Executive Directors:

The directors who take a position as management and involve in the day-to-day operations of the organization.

Non - Executive Directors:

The directors who are not part of the executive team, may or may not be an independent director, and not engaged in the day-to-day management of the organization.

Independent Directors:

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

Qualifications of Independent Directors

The Company has determined the definition of the Company's independent directors to be more stringent than the minimum requirements of Public Limited Companies Act, Securities and Exchange Act, and another related laws with regards to holdings of the Company's shares under No. 1 and No. 8 as follows:

1. Holding shares not exceeding 0.5% of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years;
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder;
8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 0.5% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

After being appointed as independent director with the qualifications under No. 1 - 9, the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

In the case where the person appointed by the applicant as independent director has or used to have a business relationship to provide professional services exceeding the value specified under No. 4 or No. 6, the Board of Directors may grant an exemption if the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- The business relationship or professional service which make such person's qualifications not in compliance with the prescribed rules;
- The reason and necessity for maintaining or appointing such person as independent director;

- The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

Scope of Authority and Responsibilities of the Board of Directors

1. Perform duties with responsibility, prudence and honesty as any person with ordinary prudence would under the same circumstances for the greatest benefits of the Company, and in compliance with the laws, the objectives, the Company's Articles of Association, and the resolutions of the Board of Directors and shareholders' meeting
2. Decide on important policies and strategies, financial objectives, work plans, and budgets and monitor that the work plans are executed
3. Continuously follow and monitor the performance of management, determine management's remuneration, and review the succession plan
4. Ensure that the financial reporting system and audit system are reliable and that the risk management system and internal control system are appropriate

In addition, the Board of Directors may appoint one or more directors or persons to carry out any act on behalf of the Board.

Appointment and Removal of Members of the Board

The general shareholders' meeting elects the directors by a majority of votes in accordance with set rules and procedures. Every shareholder entitled to vote shall have the equivalent of one vote for each share held. Each shareholder may give all votes to one or several candidate(s), but may not divide unequally his votes. The appointment of a successor to fill up a vacancy other than by rotation shall be made through a resolution of the Board of Directors by a vote not less than three-fourths of the number of remaining directors.

The Board of Directors of the Company shall be removed by a resolution of the shareholders' meeting by a vote not less than three-fourths of the number of shareholders attending the meeting who have voting rights and shares totaling not less than half of the number of shares held by shareholders attending the meeting and having the right to vote.

Term of Office of Directors

Number of Years per Term

A director has a term of office of 3 years each, except a director who has been appointed to fill a vacancy for any reason other than by rotation, in which case he shall retain office for the remaining term of office of the director whom he replaces.

Number of Consecutive Terms of Directors

The Company considers that every director who has been elected by the shareholders' meeting has the qualifications, knowledge, and capabilities that are accepted by all, has morals and ethics, and has satisfactorily performed his duties. If the shareholders' meeting gives their trust by re-electing the director, the Company respects the rights of the shareholders and therefore has not predetermined the number of consecutive terms of directors.

**The Name of the Board of Directors and Board Members Attendance for the Year 2015 (Number of times)
(as of Dec 31, 2015)**

The Name of the Board of Directors	Positions	Number of Meetings	Shareholders' Meetings
		(11 Times)	(1 Times)
1. Prof. Dr. Komain Bhatarabhirom	Director and Independent Director	11/11	1/1
2. Mr. Pridi Boonyoung	Director and Independent Director	11/11	0/1
3. Mr. Padoong Techasarintr	Director and Independent Director	11/11	1/1
4. Prof. Suphachai Phisitvanich	Director and Independent Director	10/11	1/1
5. Pol. Gen Phatcharavat Wongsuwan	Director and Independent Director	8/11	1/1
6. Mr. Dhanin Chearavanont	Chairman	3/11	0/1
7. Mr. Korsak Chairasmisak ¹	Vice Chairman	10/11	1/1
8. Mr. Adirek Sripratak ²	Director	9/11	0/1
9. Mr. Umroong Sanphasitvong ²	Director	11/11	1/1
10. Mr. Soopakij Chearavanont ²	Director	3/11	0/1
11. Mr. Narong Chearavanont ²	Director	8/11	0/1
12. Mr. Prasert Jarupanich ²	Director	11/11	0/1
13. Mr. Pittaya Jearavisitkul ¹	Director	11/11	1/1
14. Mr. Piyawat Titasattavorakul ¹	Director	10/11	1/1
15. Mr. Tanin Buranamanit ¹	Director	10/11	1/1

Authorized Directors:

Certification documents of the Company stipulate that the binding signatures must include 2 authorized directors - consisting of any authorized directors from both Executive¹ and Non - Executive² members, excluding the Chairman and Independent Directors for the existing of the independent compliance with good corporate governance principles. Both directors must sign and affix the Company's seal.

2. Management

As at 31 December 2015, the Company had a total of 14 executives consisting of

1. Executive Committee 6 persons
2. Executive Officer 9 persons (1 person is also in the Executive Committee)

(1) Chairman of the Executive Committee

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

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

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

1. The sale or transfer of all or partial portions of the Company's business to other persons
2. The purchase or takeover or transfer of business from other companies or private companies
3. The execution, amendment and termination of agreements concerning the leasing out of all or substantial parts of the Company's business, the delegation of authority to other persons to manage the business of the Company or consolidation with other persons for the purpose of sharing of profit and loss
4. The amendment of the Memorandum or Articles of Association of the Company
5. The increment or decrement of capital, the issuance of debentures, the consolidation or dissolution of the Company
6. The approval of balance sheets or income statement
7. The appropriation of profits and payment of dividends
8. Approval of remuneration for directors
9. Appointment of auditor and determination of auditor's remuneration
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 in a year
13. The expenses for investment in large projects or the acquisition of assets of the Company where the cost of such a project or the value of assets exceeds Baht 500 million per time in a year
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

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

Appointment and Removal of the Chairman of the Executive Committee

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

(2) 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 management and/or external advisors to join the meeting as deemed necessary.

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

* Appointed by the board of director meeting No.3/2015 on February 17, 2015.

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, money management 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.

(3) Managing Director and Chief Executive Officer

The Managing Director and Chief Executive Officer, Mr. Tanin Buranamanit, was appointed by the Board of Directors on 7 August 2013 and is authorized to perform duties in relation to the Company's operations and

in compliance with the Company's objectives and the resolutions of the Board of Directors and Executive Committee, with authority as determined by the Chairman of the Executive Committee.

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

Appointment and Removal of the Managing Director and Chief Executive Officer

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

(4) Executive Officer

As at 31 December 2015 , the Company executive officers consist of

1.	Mr. Tanin	Buranamanit	Managing Director and Chief Executive Officer
2.	Mr. Suraphan	Pussadej	Senior Assistant Chief Executive Officer - Human Resource
3.	Mr. Taweesak	Kaewrathtanapattama	Senior Vice President - Accounting and Finance
4.	Mr. Chuan	Nimkittikul	Senior Vice President - Distribution
5.	Mr. Suwit	Kingkaew	Senior Vice President - General Management
6.	Mr. Kosa	Pongsupath	Senior Vice President - Information Technology
7.	Mr. Chairroj	Tiwatmuncharoen	Senior Vice President - Operation
8.	Mr. Skol	Tejasataporn	Senior Vice President - Purchasing
9.	Mr. Vichien	Chuengviroj	Senior Vice President - Corporate Assets and Facilities Management - CAFM

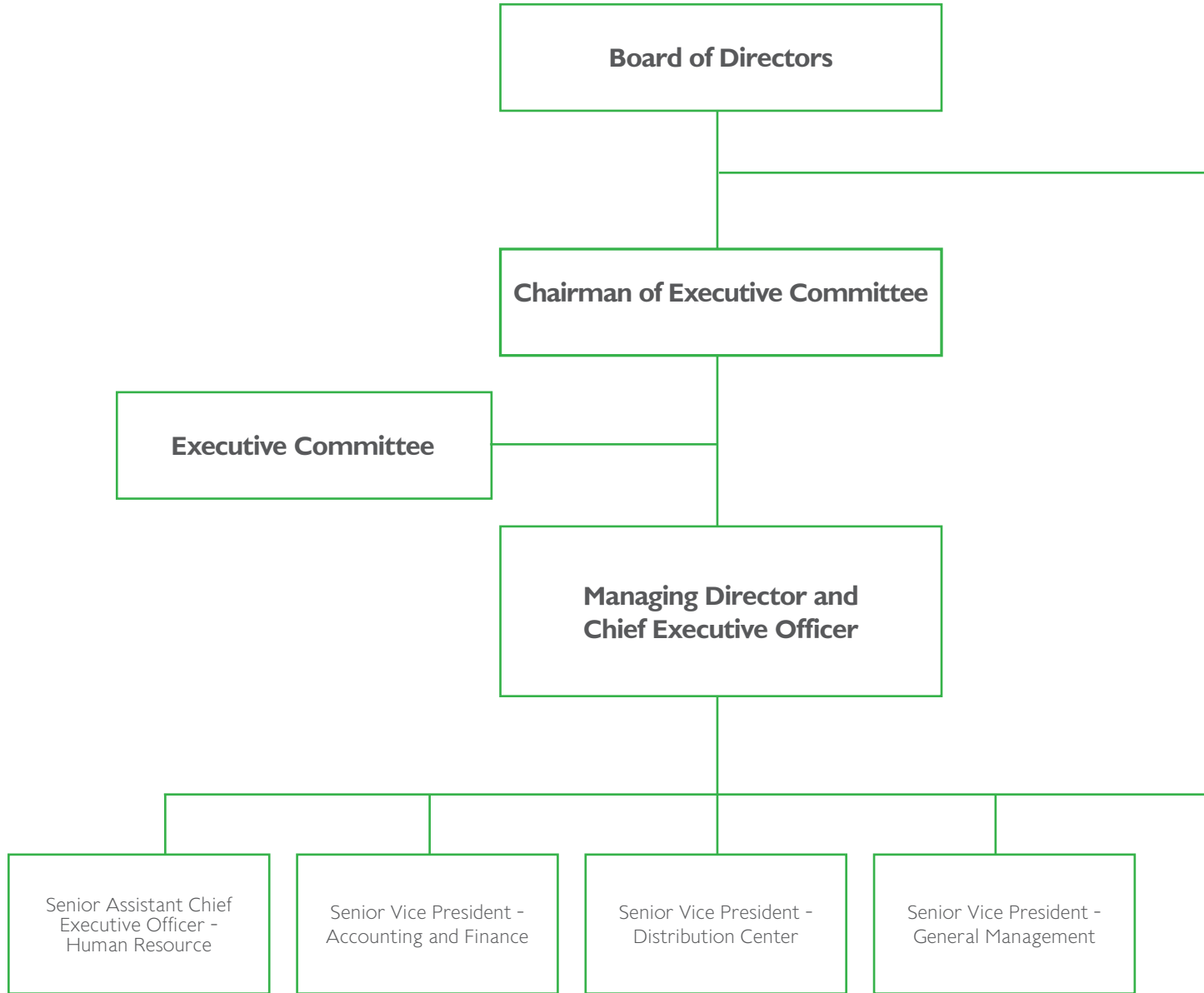
** The Executive Committee and Executive Officers named above are executives classified according to the definition in the Notification of the Capital Market Supervisory Board under the Securities and Exchange Act.*

3. Company Secretary

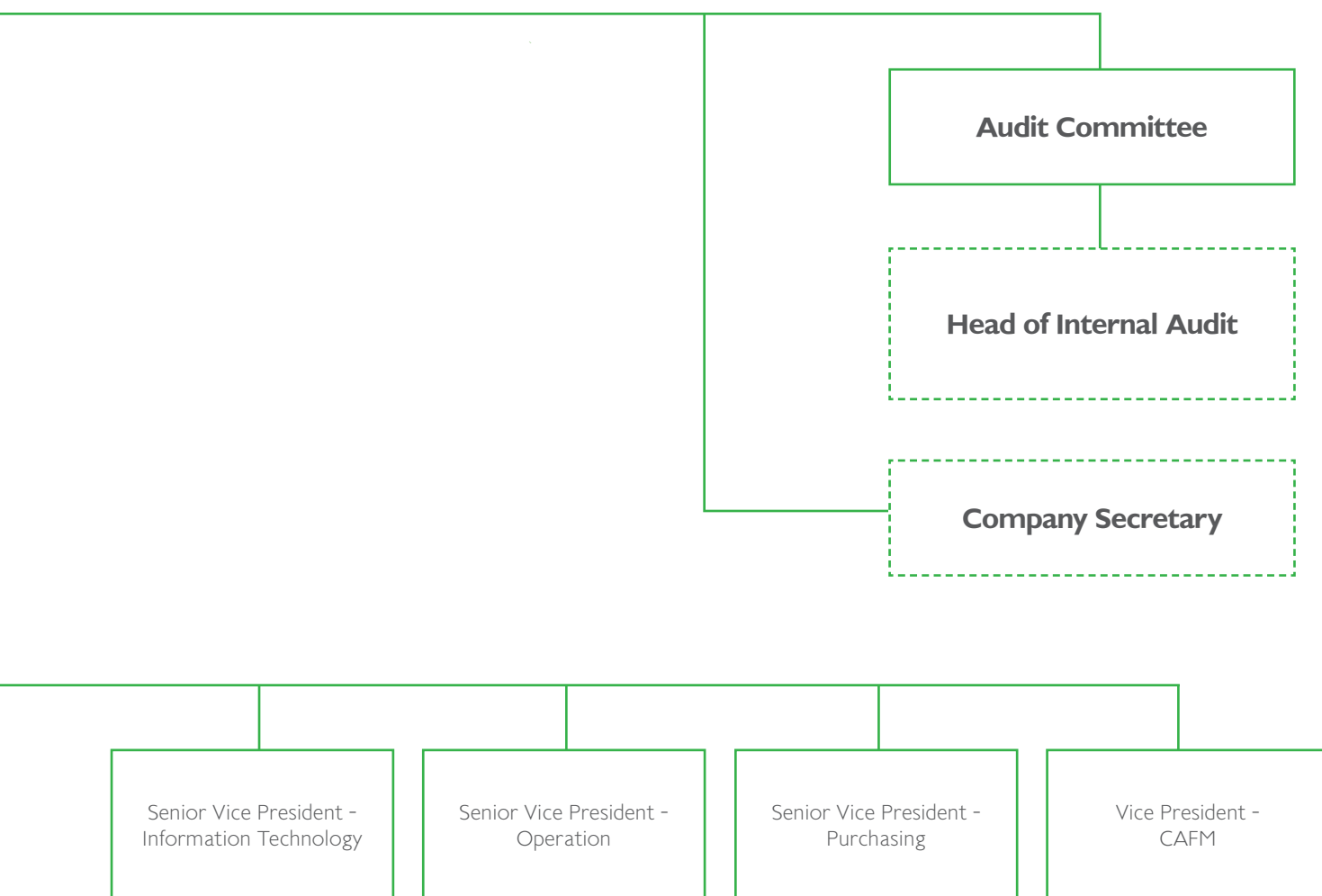
Mr. Supot Shitgasornpongse is the Company Secretary responsible for the following matters on behalf of the Company or the Board of Directors:

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

COMPANY'S MANAGEMENT STRUCTURE AS OF 31 DECEMBER 2015



Executives who shall declare remuneration



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

4. Remuneration for Directors and Executives

The Company set fair and reasonable remuneration for directors with consideration on the appropriateness and in relation to the responsibilities of directors and executives as follows :

(1) Cash Remuneration

(a) Remuneration for Directors (January 1, 2015 - December 31, 2015)

(Million Baht)

Name and Surname	Positions	Remuneration	Bonus	Total
1. Prof. Dr. Komain Bhatrabhirom	Chairman of the Audit Committee and Independent Director	1.200	3.950	5.150
2. Mr. Pridi Boonyoung	Member of the Audit Committee and Independent Director	1.080	3.554	4.634
3. Mr. Padoong Techasarintr	Member of the Audit Committee and Independent Director	1.080	3.554	4.634
4. Prof. Suphachai Phisitvanich	Independent Director	0.720	2.369	3.089
5. Pol. Gen Phatcharavat Wongsuwan	Independent Director	0.720	3.554	4.274
6. Mr. Dhanin Chearavanont	Chairman	1.200	3.950	5.150
7. Mr. Korsak Chairasmisak	Vice Chairman	1.080	3.554	4.634
8. Mr. Soopakij Chearavanont	Director	0.480	1.431	1.911
9. Mr. Adirek Sripratak	Director	0.480	1.431	1.911
10. Mr. Umroong Sanphasitvong	Director	0.480	1.431	1.911
11. Mr. Narong Chearavanont	Director	0.480	1.431	1.911
12. Mr. Prasert Jarupanich	Director	0.480	1.431	1.911
13. Mr. Pittaya Jearavisitkul	Director	0.480	1.431	1.911
14. Mr. Piyawat Titasattavorakul	Director	0.480	1.431	1.911
15. Mr. Tanin Buranamani	Director	0.480	1.431	1.911
Total		10.920	35.933	46.853

In addition, the Company's Audit Committee was appointed as Audit Committee in one subsidiary and received remuneration of Baht 48,000 from the subsidiary in 2015

(b) Remuneration for Executives

In 2015, the Company paid remuneration for 12 executives, comprising of salary and bonus, totaling Baht 332.223 million.

(2) Other Remuneration

(a) Other remuneration for directors

- None-

(b) Other remuneration for executives

• **Provident Fund**

The Company has established a provident fund, with the Company contributing 2 percent of monthly salary. In 2015, the Company contributed a total of Baht 3.605 million to the provident fund for 12 executives.

• **Employee Joint Investment Program (EJIP)**

The Company has established an Employee Joint Investment Program (EJIP) to provide incentives and keep personnel working with the Company for a long time. The Employee Joint Investment Program No. 2 has duration of 5 years. Executives who are eligible for the EJIP must have been employed with the Company for at least 3 years. The Company deducts 5 percent or 7percent (on a voluntary basis) from the employee's monthly salary. The Company contributes 80percent of the deductible amount from the employee in each month. In 2015, 12 executives joined the EJIP and the Company paid a total of Baht 10.093 million in contribution.

5. Personnel

(1) No. of Employees and Remuneration for Employees

2015	Convenience Store Business
Store employees (Persons)*	31,772
Head office staff (Persons)*	11,258
Total (Persons)	43,030
Remuneration for Employees (million Baht)	16,901
*Comprises of salary, bonus, EJIP, provident fund and other fringe benefits	

* Included only Company's permanent staff

(2) Policy on Employee Development

The Company gives importance to employee development to have increased knowledge and skills to perform their work, in line with the strategies and direction of the business, especially in the food and service area. Some of the courses are Food Safety Management and Control, Bakery Product Management. For development of quality of service, there are courses to increase the employee's knowledge, skill and attitude towards service to our customers, as well as to elevate the service standard for staff at store, including promoting a work culture of good service.

The Company strives to develop employee to have moral, high calibre, and happiness, including pleasure with their work which leading to high engagement with the Company. There are standard courses for each position level to support their growth for positions in the organization by using the Competency Based program. Such professional courses include analytic and location exploration, construction management, product management, development and product quality guarantee, and etc. In addition, the Company also provides the leadership development program for every management level in order to develop a good leader for the organization. In doing so, the Company emphasizes on "Action Learning" as well as cultivating virtue, code of conduct, and corporate governance in relation to the work. Furthermore, there are spiritual development courses at every level.

The Company gives continued importance to support good working atmosphere in order to enhance its productivity and reduce management costs. In doing so, the Company has cultivated the attitude, knowledge and techniques to employee in order to improve quality of work. This is included "Productivity Improvement Project" to enhance all level of employee in participating the project in order to increase work efficiency together with creating value of innovation and organization.

The Company also focuses on the development of education by providing the opportunity for students in Vocational Certificate, High Vocational Certificate, and a Bachelor's degree to use the "Work Base Learning" learning with real operational. Such courses include the apprenticeship training before the store in order to increase efficiency and create value for themselves, society and the nation.

CORPORATE GOVERNANCE

1. Corporate Governance Policy

CP All Public Company Limited operates its business with responsibility, transparency and fairness to all stakeholder groups, in compliance with good corporate governance principles.

The Company has established a written “Corporate Governance Policy” which is regularly reviewed and improved to be up to date with the current situation and on par with international standards. Its content covers 5 core sections including shareholders’ rights, equitable treatment of shareholders, role of stakeholders, information disclosure and transparency, and responsibilities of the Board of Directors.

In addition, the Company has published the Business Ethics and Code of Conduct and disseminated both guides to all directors, management, and employees. It has also organized training to provide knowledge and understanding on correct practice. As a result, the Company’s business is conducted with quality, fairness, transparency and accountability. The Code provides guidelines on morals and ethics for directors, executives and employees to perform their duties honestly, adhere to the laws, strictly observe fairness and morality, be responsible to society, recognize all stakeholder groups and individual rights according to the law, not be involved in violating human rights, not receive beyond normal remuneration, not be involved in any bribes, conflicts of interest and not engage in activities which violate intellectual property or individual rights.

To ensure real practice, the Company has established a Corporate Governance Committee. This committee is responsible for ensuring that the Company’s executives and employees perform their duties in line with the Company’s corporate governance policy and Code of Business Ethics; reviewing complaints and providing justice to stakeholders; considering appropriate punishment; and appointing a Complaint Committee to receive, screen and present complaints to the Corporate Governance Committee for investigation and fair judgment.

2. Sub-Committee

Sub-Committee under the Board of Directors has the only one which is the Audit Committee. The Audit Committee is comprised of 3 independent non-executive directors as follows:

Name List	Position	Attendance of Audit Committee Meetings in 2015 (11 times)
1. Prof. Dr. Komain Bhatrabhirom	Chairman of the Audit Committee	11/11
2. Mr. Pridi Boonyoung	Audit Committee	11/11
3. Mr. Padoong Techarintr*	Audit Committee	11/11

*Audit Committee who has sufficient knowledge and experience to review the reliability of financial statements

Meantime, Mr. Kidsada Euapiyachart, Senior Vice President, Internal Audit acts as the Secretary of Audit Committee.

The Audit Committee has independence in performing its duties. Besides reviewing the Company's financial statements, the Audit Committee also reviews that the Company's operations are in compliance with the policies, regulations, laws, procedures, and requirements of regulatory bodies. The Audit Committee reviews the adequacy and effectiveness of internal control systems, internal audit systems, and risk management systems. The Audit Committee consults with the Company's external auditor for its opinion on the Company's financial reports and internal control and reports the results and suggestions to the Board of Directors' Meeting every quarter as per the details in the "Audit Committee's Report" section. The Company has immediately used the suggestions provided by the Audit Committee and the Company's external auditor for improvement and will report on the improved results at the next Board of Directors' Meeting.

The Company's Internal Audit Manager acts as the Secretary of the Audit Committee and is supported by the Internal Audit Office. The Internal Audit Office, which is independent from management, is responsible for evaluating the sufficiency and effectiveness of the Company's internal control system and risk management system and reporting to the Audit Committee every month and the Board of Directors every quarter. Details of the Internal Audit Manager and the Internal Audit Office can be found under the "Management" section.

Qualifications of the Audit Committee

1. Appointed by the Company's Board of Directors or Shareholders' Meeting
2. Every member must be an independent director with complete qualifications according to the regulations relating to the requirements of independent directors of the Notification of the Capital Market Supervisory Board and the Company
3. Not involved in the management and decision-making of the Company's business operations and not a director of the parent company, subsidiary company, or same-level subsidiary company listed in the SET
4. At least one of the Company's independent directors must have knowledge in auditing financial statements

Term of Office of the Audit Committee

The Audit Committee member has a term of office of 3 years each, at the same time as the term of office of being the Company's independent director, except the person who the Company's Board of Directors has appointed to fill a vacancy for any reason other than by rotation, in case which he shall retain office for the remaining term of office of the Audit Committee member whom he replaces.

Duties and Responsibilities of the Audit Committee

The Audit Committee has duties as assigned by the Company's Board of Directors as follows:

1. Reviews correctness and adequacy of the Company's financial statements
2. Reviews the suitability and effectiveness of the Company's internal control system and internal audit system; considers the independence of the Internal Audit Office; and approves the appointment, transfer, and disemployment of the Head of the Internal Audit Office or other related units responsible for internal audit

3. Reviews the Company's compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand, and laws related to the Company's business
4. Consider, select and propose the appointment of the person who has independence to perform the duty of the Company's auditor; propose the remuneration for the said person; and participate in meetings with the Company's auditor without the presence of the Company's management at least once a year
5. Review that the related transactions or the transactions which might cause conflict of interest are in compliance with the laws and regulations of the Stock Exchange of Thailand to ensure that the transactions are justifiable and create the highest benefit to the Company
6. Prepare the Audit Committee's Report to be published in the Company's annual report. The said report must be signed by the Chairman of the Audit Committee and shall include at least the following information:
 - a. Opinion on the correctness, completeness and trustworthiness of the Company's financial reports
 - b. Opinion on the adequacy of the Company's internal control system
 - c. Opinion on compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand, or laws related to the Company's business
 - d. Opinion on the suitability of the external auditor
 - e. Opinion on transactions which may cause conflict of interest
 - f. Number of Audit Committee meetings and attendance of each Audit Committee member
 - g. Overall opinion or comment that the Audit Committee received from performing their duty according to the Charter
 - h. Other items that the shareholders or general investors should be informed of under the duties and responsibilities as assigned by the Company's Board of Directors
7. Perform other tasks as assigned by the Company's Board of Directors with agreement from the Audit Committee

In performing the abovementioned duties, the Audit Committee is directly responsible to the Company's Board of Directors and the Board of Directors is responsible to outside parties for the Company's operations.

In addition, the Audit Committee meets regularly every month and reports the audit results to the Board of Directors every quarter. The Audit Committee also has meetings with the external auditor and the Accounting Department to audit the financial statements.

3. Nomination and Appointment of Directors and High Level Executives

The Company has not yet appointed a Nomination Committee to select individuals to be appointed as the Company's director, but when a directorship position is vacant, the Board of Directors will be responsible for nominating and selecting an individual to fill the position. The Board of Directors will consider various criteria such as knowledge, capability and experience related to the business.

Furthermore, the Company's directors and executives shall not possess any untrustworthy characteristics as specified in the Notification of the Securities and Exchange Commission as follows:

1. having deficiency in legal competence or having been subject to any legal proceeding under the law governing capital market including
 1. being an insolvent person; or
 2. being an incompetent or a quasi-incompetent person; or
 3. having been named in any criminal complaint filed by the SEC Office; or having been subject to any legal proceeding following the criminal complaint initiated by the SEC Office; or having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the violation of the Securities and Exchange Act or Derivatives Act
2. having any record of deceitful, fraudulent or dishonest management of assets including
 1. having been named in any criminal complaint filed by a financial regulatory authority, whether in Thailand or in foreign countries, or subject to any legal proceeding following the criminal complaint initiated by such financial regulatory authority, or barred from serving as director or executive of a financial institution by a financial regulatory agency, or having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the commission of offences regarding deceitful, fraudulent or dishonest management of assets which has caused damage to either the financial institution with which the person was associated or the customers thereto; or
 2. having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the commission of public offences regarding deceitful, fraudulent or dishonest management of assets; or
 3. having been subject to the court's order of asset seizure under the Counter Corruption Act, the Anti-Money Laundering Act or any other similar law and it has not yet surpassed the three-year interval time after the date on which the court issued such order; or
3. having any improper behavior which, if considered on a reasonable ground, materially affected shareholders, the Company, or the capital market as a whole including
 1. acted or omitted to act, without good faith or with gross negligence, in executing any transaction for the company or its subsidiary, which caused damage to the company or shareholders or generated unjust enrichment for oneself or others; or
 2. disclosed or disseminated false information or statement regarding the company or its subsidiary which may cause misunderstanding or concealing material facts that should have been stated which may affect decision making of shareholders, investors or other parties involved, either by ordering, taking responsibility for or involving in preparation, disclosure or dissemination of such information or statement or by taking or omitting to take any other action, unless the person can prove that, by virtue of own position, status or duty, he was not aware of such untruth or omission; or
 3. engaged in any unfair practice or taking advantage of investors in trading securities or derivatives or aided or abetted thereof.

4. Supervising the Operations of Subsidiaries and Associated Companies

The Board of Directors has a supervision mechanism where it can control the supervision and management of subsidiaries and associated companies and be responsible for the performance of subsidiaries and associated companies in order to protect the benefits of the Company's investment.

1. Sending individuals to be the Company's representative as directors, executives or authorized persons in the said company according to shareholding percentage, with approval from the Executive Committee Meeting.
2. Determining the authority, duties and responsibilities of the director and executive that is the Company's representative according to the Authority Handbook of each subsidiary.
3. Having a supervision mechanism that ensures disclosure of financial statements and operating performance, transactions between the said company and connected persons, acquisition or disposal of assets, or other important transactions of the said company are complete and correct, and uses standards related to information disclosure and abovementioned transactions similar to that of the Company's through the Group's central accounting and finance division, central legal division, and the Company Secretary. In addition, the Articles of Association of subsidiaries has regulations related to connected transactions and acquisition or disposal of assets that are in accordance with the securities law.
4. Determining a suitable, circumspect and adequate internal control system in subsidiaries through the Authority Handbook. The internal control system of subsidiaries is overseen by the Group's Internal Audit Office.

5. Control of Internal Information Use

The Company is highly concerned about the use of the Company's inside information for personal interests. The Company's Business Ethics and Code of Conduct clearly prohibits the use of specific information that is the Company's inside information for trading of the Company's shares or providing this information to others for the trading of the Company's shares. The Company has established a policy and preventive measures regarding insider trading of related persons including directors, executives, employees working in departments related to the information, as well as spouse and minor children or adopted minor children of these persons.

1. Related persons shall not trade in the Company's shares in the one-month period prior to the release of the Company's financial reports to the public. The Company Secretary is responsible for sending a reminder e-mail to related persons to halt trading of the Company's shares 1 week prior to the trading halt. Every time directors and executives engage in trading of the Company's shares, they shall file the Report of Changes in Securities Holding (Form 59-2) and report to the SEC Office within 3 working days so that the SEC Office may disclose the shareholding to the general public through the SEC website.
2. Use of inside information that has not yet been disclosed to the public or SET for personal interest or the interests of related persons is considered as taking advantage of other shareholders and is prohibited.
3. The Company has stipulated that the report of holdings in the Company's shares by directors and executives, their spouse and minor children shall be reported to the Board of Directors' Meeting at the end of every year.

6. Audit Fees

(1) Audit Fee

In 2015, the Company paid an audit fee to the auditor, Mr. Charoen Phosamritlert, registration no. 4068 of KPMG Phoomchai Audit Ltd. (KPMG) in the amount of Baht 4.60 million. In addition, KPMG is the auditor of 20 local subsidiaries and 3 foreign subsidiaries i.e. Lotus Distribution Investment Limited, Albuera International Limited and Vina Siam Food Co.,Ltd.

Upon other foreign subsidiaries i.e. Successor Investments Limited paid fees to the auditor, KPMG Hong Kong in the amount of Baht 0.14 million per annum; and another 2 companies i.e. Successor (China) Investments Limited and Nanjing Zheng Yi Xin Trading Co.,Ltd. paid to KPMG Shanghai in the amount of Baht 0.87 million per annum.

(2) Non-audit Service

In 2015, the Company and its subsidiaries does not receive any services from KPMG Phoomchai Audit Ltd.

7. Other good corporate governance

Details of compliance with good corporate governance principles in 2015 are as follows:

Category I Rights of Shareholders

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

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

Prior to the Shareholders' Meeting

The Company invited individual shareholders or groups of shareholders, who hold minimum shares of not less than 5 percent of the total voting shares of the Company, to propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2015. 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 on 15 September 2014. This was done before the last day of the fiscal year to allow time for the Company Secretary to screen the proposed agenda items before presenting to the Board of Directors for consideration.

The Company held the Annual General Meeting of Shareholders on April 23, 2015 at Meeting Room on 3rd floor, Convention Hall Center, Panyapiwat Institute of Management, Chaengwattana Road, Pak Kret, Nonthaburi. The Company sent out the invitation to the shareholders' meeting and accompanying documents, both Thai and

English version, to shareholders more than 14 days prior to the meeting. This information was also posted on the Company's website on March 16, 2015 at www.cpass.co.th 30 days prior to the meeting so that shareholders have sufficient time to study the information ahead of the meeting. There were no any extraordinary meetings of shareholders in 2015.

The Company's invitation to the shareholders' meeting had information that was correct, sufficient with clear agendas as follows:

1. Registration form with barcode that was sent along with the invitation letter to facilitate registration for shareholders
2. 3 types of proxy forms for shareholders to use as appropriate i.e Proxy form (A), (B), and (C)
3. Minutes of the previous shareholders' meeting
4. Information on the nominated persons to be selected for the Board of Directors including first and last name, age, education, work experience, training from the Thai Institute of Directors Association (IOD), director position held in other companies separated into listed companies and general companies, type of director position nominated, attendance at meetings in the past year, date position first held in the Company, term of office since first appointed. In the case of the appointment of the independent director, information on the relationship between the independent director and persons related to the Company is also provided for decision making
5. Details of appointing the Company's auditor including auditor's name, company affiliation, education, work experience and abilities of auditor, independence of auditor and audit fee so that shareholders can consider the abilities and suitability of the auditor
6. Approve dividend payment, its policy, proposed dividend payment amount and its statistics
7. Explanation on proxies, registration and required documents to be presented on the meeting day
8. Information on the 3 directors to be appointed by the shareholder to attend and vote on his/her/its behalf; one out of the 3 directors is an independent director
9. The Company's regulations regarding the shareholders' meeting
10. A map of the meeting venue with directions for travelling by car or public transport
11. 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
12. In order to receive the greatest benefits from the meeting and allow directors and management to prepare to explain on the meeting day, shareholders are invited to send their questions to the Company prior to the meeting day

At the day of the shareholders' meeting

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

Before the meeting commences, the Secretary of the Meeting asks for shareholders' cooperation to turn off their mobile phones to prevent disturbing the concentration of other shareholders. The Secretary then informs the shareholders of the Company's voting procedures. A shareholder of the Company's ordinary shares has one vote for each share of which he/she is the holder. Voting and vote counting is transparent. The barcode system is used in vote counting which makes tallying fast and accurate. The voting results of each agenda item, including the number of agree votes, disagree votes and abstain votes, were displayed on the screen for shareholders to easily view. In the case of agenda items where the directors have conflict of interest or agenda items concerning connected transactions, the screen also showed the number of votes not entitled to vote.

The Chairman of the Audit Committee, members of the Audit Committee, Independent Directors, directors, Chief Executive Officer, Deputy Chief Executive Officer, Managing Director, and the Company's executives give high importance to the shareholders' meeting and were present in all the meetings. The Company's external auditor was also invited to the meetings to provide information and answer shareholders' questions. Moreover, the Company invited representatives from external regulatory organizations such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to observe the meeting procedures. Representatives from the Thai Investors Association also joined in asking questions at the meeting.

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

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

In the agenda item of dividend payment, the Company clearly stated its dividend policy and provided details of the proposed dividend amount, record date, tax credit for dividend payment from the Revenue Department, and history of dividend payment for the past 3 years. All details were provided in the invitation to the meeting, providing time for the shareholders to consider the information before attending the meeting.

In the agenda item of selection of directors, the Company provided opportunity for shareholders to vote on individual directors. Each shareholder shall have a number of votes equal to one share per one vote and must exercise all the votes he/she has to appoint an individual or several persons to be director(s) but shall not split his/her votes among any person or group. The invitation letter will have accompanying documents with details of the directors nominated for selection and the clearly stated voting procedures.

In the agenda item of remuneration for directors, the Company has set the agenda item to consider and approve the remuneration of the Company's directors at the shareholders' meeting every year even though there is no change in the amount of the remuneration from the previous meeting resolution.

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 carefully recorded by Company Secretary. Each agenda item indicated the meeting resolution and result of the votes, including the number of agree votes, disagree votes, abstain votes and unentitled votes. The video recording of the meeting was posted on the Company's website after the meeting to enable shareholders who were unable to attend to be informed of the issues discussed during the meeting.

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

After the shareholders' meeting

The Company disclosed the resolution of the shareholders' meeting and the voting results through the Stock Exchange of Thailand within the same day. The Company prepared and submitted the Minutes of the Shareholders' Meeting to the Stock Exchange of Thailand within 14 days from the date of the meeting as well as posted the minutes on its website within 1 month from the date of the meeting. The Company recorded the names and position of directors who attended the shareholders' meeting in the minutes.

From the assessment of the quality of the Company's 2015 Annual General Meeting of Shareholders conducted by the Thai Investors Association, the Company received a score of 93.25 out of a total of 100, comparing to the average score of listed companies in the Stock Exchange of Thailand of 92.68. This assessment is considered a part of good corporate governance and testifies that the Company gives importance to improving the quality of its Shareholders' Meetings, protecting the rights of investors, and information disclosure.

Category 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 2015, the Company performed the following:

1. Shareholders' meeting

- The Company provided an opportunity for minority shareholders to propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2015. This was done before the last day of fiscal year. The invitation was posted via the Company's website and the Stock Exchange of Thailand to provide sufficient time for shareholders and 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 was Mr. Padoong Techasarintr, Independent Director and Audit Committee, as an alternative for shareholders to appoint one of the directors to attend the meeting as their proxy and vote on their behalf.
- The Company sent all 3 proxy forms to shareholders so that they can choose the form that best suits their needs. However, in the invitation notice, the Company advised shareholders to use form No. 2 which is has the most detail.
- The invitation to the shareholders' meeting clearly states the documents that must be brought on the day of the shareholders' meeting, separated into different cases. Documents that are required for presentation at the shareholders' meeting are according to international practice.
- The Company sent the invitation to the shareholders' meeting and associated explanatory documents in English to foreign shareholders.
- In the selection of directors, the Company votes on individual directors.

- Use voting cards for voting.
- Record the minutes of the meeting in a correct, complete and timely manner.

2. Directors and Executives

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

- 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.
- In the Board of Directors' Meeting, directors or executives with vested interests in connected transactions shall be excluded from attending the meeting and voting on that particular agenda item. In addition, if it is a transaction which must be disclosed or receive approval from shareholders according to the regulations of the Stock Exchange of Thailand, the Company disclosed the details and reasons for entering into the transaction, relationships of the connected persons, and calculations of the value of the transaction so that shareholders are informed of the details of the transaction.
- The directors and executives shall file a report of their interests and that of related persons every year and every time there is a change to the Company Secretary. In addition, copies shall be sent to the Chairman of the Board of Directors and the Chairman of the Audit Committee.
- The directors and executives shall file their holdings of the Company's shares and those held by their related persons and report to the Board of Directors' Meeting at the end of every year.
- Established guidelines regarding conflict of interest in the Business Ethics and Code of Conduct
- The related transactions which occurred in 2015 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.

Category 3 Role of Stakeholders

The Board of Directors places importance on all stakeholder groups, whether internal or external stakeholders, and recognizes their rights according to the law for sustained joint benefits. The Board also promotes cooperation between the Company and stakeholders in order to create sustainability for the Company.

The Company gives importance to responsible business operations, which covers supporting human rights, employment standards, environmental conservation, and anti-corruption. The Company signed the Declaration of Intent to join the Private Sector Collective Action Coalition Against Corruption (CAC) on 20 August 2014. The Manager of the Internal Audit Office was appointed as the head of the working group to study, prepare and present to the Board of Directors' Meeting on the the process to become a certified member of the CAC.

The Company has established a written policy and guidelines for treatment of stakeholders. The Business Ethics and Code of Conduct has been published and distributed to all the Company's directors, executives and employees to be strictly followed. The Business Ethics and Code of Conduct has been reviewed and revised to ensure that it can be practiced in reality in order to protect the interests of all stakeholder groups.

The Company's policy on the treatment of stakeholders can be summarized as follows:

Shareholders : The Company is committed to conducting its business effectively with transparency, prudence, good operating results and sustainable growth, in order to increase shareholders' value in the long run. Moreover, the Company adheres to the principle of fairness and protects shareholders' interests by establishing procedures to prevent the use of inside information for the personal interests of directors and executives.

Customers : The Company gives priority to customer care with the highest responsibility. The Company is determined to give customers the greatest satisfaction in terms of both quality and value for money, through disclosing information to customers in a transparent and fair manner, and quality control of products and services. Food products in particular must be delicious, fresh, clean, hygienic and nutritious. Furthermore, the Company is dedicated to product development and fostering strong customer relationships. The Company has established a clear policy regarding fair treatment and responsibility to customers in its Business Ethics and Code of Conduct which is generally disseminated and known.

In addition, the Company provides several channels for customers to search for information, make business appointments, and send complaints via store branches, post, the Company's website and Call Center.

Employees : The Company's employees are a valuable resource and key to successfully achieving its set goals. The Company organizes both in-house and external training for every position in order to continuously develop the knowledge and skills of employees. The Company has a remuneration and welfare system that is fair, appropriate and comparable to other leading companies. In addition, the Company is committed to continuously developing its employees' knowledge and skills in order to support the Company's growth. Both in-house and external training is organized for every position. The Company has also developed a clear career path for each position in order to provide opportunities for employees to advance according to their skills. The Company has initiated various projects, such as Big Crowd of Fish Project, President Award Project, and Chairman Award Project to promote an atmosphere for learning without limits in order to become an innovative organization.

The Company has set an appropriately salary and benefits payment system on par with leading companies in the same business. It does not hire illegal workers in every area its business is located. Employees are fairly evaluated and treated without consideration to personal relationships. In addition, the Company provides numerous employee rights such as the right to take leave and transfer. Channels for communication between employees and high-level executives have been established to allow executives to understand and directly listen to various problems and suggestions from employees. This in turn creates security for employees, confidence in the Company, and employee dedication to performing their duties well.

In the area of employee welfare, the Company focuses on the quality of working conditions and treats all employees equitably. An employee satisfaction survey is conducted annually by research experts. Based on the survey, benefits such as hospital fees for employees and their family, life and health insurance for employees, provident fund, Employee Joint Investment Program No.2 for a period of 5 years (EJIP: July 1, 2012 – June 30, 2017), scholarships for employees and their children, loans for in-patient hospital admission, housing loans, and relief program for flood victims have been set to meet the diversified demands of employees. In addition, the Company places importance on caring for the safety of employees and has established the Safety Committee to train employees to handle different kinds of situations, to establish safety prevention systems, and to organize activities related to safety and 7S..

Government Sector : The Board of Directors has strictly managed the Company's business in compliance with the laws, rules and regulations. The Company has maintained good relations with government organizations through continually transparent contact and communication, and support for various projects.

Furthermore, the Company has provided full cooperation with regards to non-infringement of intellectual property or licenses. It has specified regulations for employees to follow and punishment in case of non-compliance or neglect.

Society, Communities and the Environment : The Company operates its business by being "the knowing friend near you", which means being a part of society and communities with everyone feeling that 7-Eleven is a good neighbor and first thinking of 7-Eleven in every situation. As a result of this important mission, the Company operates its business with responsibility to communities, society and the nation following the principles of good corporate governance. The business is managed with ethics, morality and fairness to all related parties and care for the environment in a concrete manner. The Company is committed to supporting activities to improve the quality of life of nearby communities and society and creating happiness in a sustainable manner.

In terms of environmental protection, in order to reduce garbage from used plastic bags, the Company campaigned for the reduction in the use of plastic bags at 7-Eleven stores. The Company also has a project to install energy-saving light bulbs in all branches as well as a project to treat waste water from stores before release into public sewers.

Suppliers : The Company's suppliers are treated appropriately, honestly, transparently, fairly, and equitably, without decisions being made based on personal relationships. The Company has established a policy to prevent conflicts of interest to ensure that all business partners receive fair and equal treatment. In addition, an E-Auction system has been set up.

Creditors : The Company adheres to its commitments and is fair to its creditors according to the priority of the obligations in line with the contracts entered into, with guidance as follows:

- Strictly maintain and follow conditions of creditors
- Monitor complete and timely repayment of principal and interest to all creditors and strictly follow conditions of borrowing agreement without using borrowed money in any way that contradicts with the borrowing objectives
- Manage operations so that the creditors are confident in the Company's financial status and repayment ability
- Report correct and complete information to creditors

Competitors : The Company operates its business with integrity and professionalism, without any legal or ethical wrongdoings. The Company does not seek its competitors' trade secrets or information through illegal means nor breach agreements not to disclose its competitors' information whether received from customers or other persons.

The Board of Directors reports information about the Company's operations that stakeholders and related parties should be informed of in Form 56-1, the annual report and website. In addition, two-way communication channels have been established for stakeholders and related parties to express their opinions and send complaints in case they have not received fair treatment from the Company.

Channel for Stakeholders to File Complaints or Provide Tip-offs to the Board of Directors

All stakeholder groups can file complaints or provide tip-offs related to corruption, illegal behavior or unethical business behavior to the Board of Directors through the Corporate Governance Committee or the Audit Committee at the address below. (All information will be kept confidential.)

- E-mail : kidsada@cpall.co.th
- Mail by Post :

Internal Audit Office CP All Public Company Limited
119 Tara Sathorn Building 16th Floor, Soi Sathorn 5, South Sathorn Road
Tungmahamek, Sathorn, Bangkok 10120
Tel: 0 2648 2770 Fax: 0 2679 0057

The Internal Audit Office, as the Secretary of the Audit Committee, will be responsible for gathering and presenting the complaints or tip-offs to the Audit Committee for consideration and further processing. The Audit Committee will summarize the results of the investigation process and present the report to the Board of Directors on a quarterly basis.

Conditions for Receiving Complaints or Tip-offs:

- Anonymous letters are not accepted.
- The person who files the complaint or provides the tip-off must provide their real name. The Company will keep the information confidential. Only persons assigned by the Audit Committee will know this information.
- Issues which the Audit Committee will not process as they are unrelated to corruption or illegal behavior include:
 - Job Applications
 - Surveys or Requests for Company Information
 - Product or service offers
 - Requests for donations or various kinds of contributions

Category 4 Information Disclosure and Transparency

Information disclosure and transparency is one of the key elements of good corporate governance that the Company strictly adheres to as it is an important channel for shareholders who are not involved in the Company's management to monitor the work of the Company's executives. The Company is confident that it discloses information in a complete, adequate, timely and regular manner. Besides disclosing information in compliance with the regulations of the Stock Exchange of Thailand in Form 56-1, the annual report, and event reports, the Company's Investor Relations Department which acts as the information dissemination center for investors also prepares Investor Information Releases which are posted on the Company's website, financial reports, and operating results in the form of PowerPoint presentation. The Investor Relations Department also organizes meetings for analysts, investors, the press and interested persons every quarter. In 2015, 4 Analysts Meetings were organized, and information was disseminated via Webcast through the channel of the Stock

Exchange of Thailand and the Company's website, with the Investor Relations Department and the Company's executives providing information on the Company's performance and answering questions. In addition, the Investor Relations Department and the Company's executives went on 8 road shows in Thailand and abroad to meet institutional investors on a regular basis. 5 marketing activities were also organized where analysts and investors were invited to visit the Company's operations such as 7-Eleven prototype model at Cheangwattana, coffee corner – All Café and etc..

Analysts and investors may contact the Company for information via phone, e-mail, conference call, or download information from the Company's website <http://www.cpall.co.th/Investor-Relations>

or contact Investor Relations Office for more information at:

Telephone : 0 2648 2501

Fax : 0 2679 0050

Email : investor@cpall.co.th

Letter : Investor Relations Office

CP All Public Company Limited

119 Tara Sathorn Tower, 12th Floor, Soi Sathorn 5

South Sathorn Rd., Thungmahamek, Sathorn

Bangkok 10120, Thailand

In 2015, the Company disclosed financial and non-financial information on each accounting period and on significant events as follows:

Financial Information

The Company's financial statements are prepared in accordance with generally accepted accounting standards and audited by an independent external auditor, as well as passed the review and approval of the Company's Audit Committee. In addition, the Company has never had any history of being requested to correct its financial statements. Its quarterly and annual financial reports have all been submitted before the dates required by the law.

Non - Financial Information

1. Non-financial information is in compliance with related laws in a correct, complete, timely, and transparent manner via the Stock Exchange of Thailand and the Company's website. This information is regularly updated.
2. Corporate governance policy and Code of Business Ethics and Bounden Duties in Working which has been approved by the Board of Directors and is disseminated on the Company's website so that shareholders and interested persons may have access any time.
3. The Company's shareholding structure is clear, transparent, and uncomplicated. There is no cross holding or pyramid holding. The shareholding structure displays the majority shareholders and the ratio of minority shareholding. The Company's directors and management have only 0.19 percent shareholding of the total paid-up capital.
4. Report on interest of directors and executives, including related persons.
5. Report on shareholding of directors and executives, including related persons

6. The Board of Directors' Statement of Responsibility for Financial Reports and the Audit Report of Certified Public Accountant.
7. Information on the remuneration for the auditor, separated into the audit fee and other service fees
8. The remuneration for directors and executives in the annual report under the "Management" section. This remuneration is an appropriate rate for the duties and responsibilities of each of the Company's directors and executives and is comparable to that of other companies in the same industry.
9. Number of Board of Directors' Meetings and attendance of directors in 2015

Category 5 Responsibilities of the Board of Directors

Even though the Company has not yet appointed a Selection Committee to select the Company's directors, the Company is confident that the current Board of Directors consists of individuals with knowledge, capability, skills and working experience from various fields who are highly recognized at the national level and have a good understanding of their expected roles and responsibilities. The Board plays an important role in determining the Company's overall policy with the Executive Committee, including the Company's vision, mission, business objectives, financial policy, risk management, and strategies for setting both short-term and long-term objectives and goals.

Furthermore, in order to increase the directors' working effectiveness and efficiency, the Company has a policy to support directors' participation in courses offered by the Thai Institute of Directors Association (IOD) and other institutions. This will assure shareholders and investors that directors are knowledgeable in carrying out their duties as a director in accordance to good corporate governance principles. The Secretariat of the Company liaises with the directors for their consideration in participating in courses and seminars throughout the year.

I. Structure and Qualifications of the Board of Directors

- 1.1 As at December 31, 2015, the Company's Board of Directors currently has fifteen (15) members consisting of
 - a. Five (5) Independent Directors (account for one-third of board members)
 - b. Five (5) Executive Directors
 - c. Five (5) Non-Executive Directors
- 1.2 Each term of a director is 3 years according to the Company's Articles of Association and as stated in the Policy on Corporate Governance.
- 1.3 The Company's independent directors have qualifications according to the Company's regulations relating to the qualifications of independent directors, which is more stringent and circumspect than the minimum requirements of the SEC and SET regarding holding of the Company's shares. This information is disclosed under the "Management" section.
- 1.4 The Chairman of the Board of Directors is not the same person as the Chief Executive Officer and is a Non-Executive Director with clearly defined role, authority and duties. The Chairman encourages all directors to debate and fully express their opinions by providing sufficient and appropriate time. The authority and duties of the Chief Executive Officer has been clearly determined by the Board of Directors. In particular, important matters must be presented to the Board of Directors for consideration and approval.

1.5 The Board of Directors has appointed a Company Secretary. Information about the Company Secretary is under the “Board of Directors” section. The Corporate Secretary is responsible for providing advice regarding legal matters and various rules and regulations that the Board of Directors must be aware of. The Company Secretary, with the Company Secretary Office as a supporting unit, is also responsible for looking after the activities of the Board of Directors and liaising to ensure that the resolutions of the Board of Directors are strictly adhered to. The main duties and responsibilities of the Company Secretary can be found under the “Management” section.

2. Sub-Committees

Even though the Company has not set up other committees besides the Audit Committee, all of the Company’s practices in other areas such as determination of remuneration and selection of directors are carried out in a careful, transparent and honest manner in order to avoid any criticism.

3. Roles and Responsibilities of the Board of Directors

The Company’s Board of Directors all clearly understand their roles and duties as well as the Company’s business. The Company Secretary has prepared a Guide for Directors to be given to new directors. The Guide includes information such as the Company’s business operations, annual report, regulations, objectives, code of business ethics, good corporate governance, and scope of responsibility of the position. In addition, new directors shall attend training for directors organized by the Thai Institute of Directors (IOD), in which the Company will be responsible for all expenses.

The Board considers and approves important matters related to the Company’s operations such as vision, mission, strategies, financial targets, risks, business plans and budget. In addition, the Board monitors and controls the Executive Committee to effectively and efficiently manage the business according to predetermined policies and plans.

For transparency in business operations, the Company has stipulated that the Board of Directors and Executive Committee shall report their interests or interests of related persons, which are related to the management of the Company or its subsidiaries to the Chairman of the Board of Directors and the Chairman of the Audit Committee.

The Company has published the Policy on Corporate Governance with the approval of the Board. The Policy on Corporate Governance is regularly reviewed to be in line with the principles of good corporate governance.

The Company has published the Codes of Business Ethics and Bounden Duties in Working as guidelines for directors, management and employees to perform their appointed duties with high standards and quality and in good faith, upholding employee reputation and pride and leading to an organization with good corporate governance. The Company regularly reviewed the Codes in order to be more effective in practice. Shareholders, investors and interested persons may find the Codes of Business Ethics and Bounden Duties in Working on the Company’s website.

The Board has a clearly stated policy on related transactions which may cause conflicts of interest. Related transactions must be for the benefit of the Company and shareholders in general. Related transactions are conducted in a careful manner and must be reviewed by the Audit Committee before being proposed to the Board

for approval. Directors with vested interests do not take part in decision-making. The resolution of the Board is reported to the Stock Exchange of Thailand to be disseminated to shareholders on the same day after the connected transactions have been approved to ensure that shareholders receive correct and timely information.

The Company has a risk management policy and risk management system that covers the entire organization. The Risk Management Committee and Risk Management Working Group study, analyze, and evaluate the chance and severity of risks that may affect the Company's business operations; find measures to eliminate, prevent and control these risks under the guidelines provided by the Board of Directors; review the adequacy of the risk management system; evaluate the effectiveness of risk management; and closely monitor changing conditions and risk factors. Moreover, Crisis Management has been set up to create preparedness in case of emergencies. The Company has stipulated that a risk management report be presented to the Board of Directors twice a year. Details of the Company's risk management are under the "Risk Factors" section.

4. Board of Directors' Meeting

- 4.1 The Board of Directors' Meeting is held once every quarter. The dates of the Board of Directors' Meetings are predetermined one year in advance so that directors can arrange their schedule to attend the meeting. However, additional meetings may be called if there are special matters that require the Board's approval.
- 4.2 In 2015, a total of 11 Board of Directors' Meetings were held which was appropriate for the duties and responsibilities of the Board and the management of the Company in the previous year.
- 4.3 The meeting's invitation, agenda and relevant documents were sent to the directors at least 7 days prior to the meeting date to allow sufficient time for the directors to study the information before decision-making. In the consideration of any issue, the directors are entitled to look at or check the related documents; ask the management to provide additional information; and bring in outside consultants or experts to provide advice, at the Company's expense.
- 4.4 In every meeting, the management had been asked on questions raised by directors. The directors exercised careful, independent and transparent judgment with fair consideration for the interests of shareholders and stakeholders. Directors with vested interests in the matter under consideration must leave the meeting during consideration of that matter. The Chairman also provided sufficient time for directors to discuss problems and possible solutions. Management related to the presented agenda item was invited to the meeting to provide additional details and answer questions.
- 4.5 After the Board of Directors' meetings, the minutes were prepared, approved by the Board and filed at the Company Secretary Office for future reference and verification by directors and related persons.

5. Board of Directors Self-Evaluation

In 2015, the Company organized the Board of Directors Self-Evaluation, the Board as a whole, continually since 2014. The objective is to enable the Board of Directors to review their performance as well as the problems and obstacles faced during the past year. This will assist in making the Board perform their work more effectively as they will clearly understand their responsibilities. The assessment also helps improve the relationship between the Board and the Company's management.

The board of directors self-assessment covers:

- Structure and qualifications of the board of directors, which impact to the effectiveness of their performance such as number of board member that are appropriate to the nature of the business, knowledge and experience of the board members, definition of Independent director, number of independent directors, qualifications and appointment of the company secretary, and etc.
- Any action that provides the board can function effectively in the conference, including the appropriateness of the time spent in board meetings and receiving the meeting documents, together with having adequate time to study, the atmosphere in the meeting room, and etc.
- Roles and responsibilities, the board emphasized the importance of using adequate time to review and consider the practical matter of the Company i.e. corporate governance practice, business direction, strategy and business plan, issue of conflict of interests, connected transactions, internal control, risk management, policy violations, preparation of financial statements in accordance with accounting standards and so on.
- Others i.e. self-development of directors and management, relationship management between board of directors and management and so on.

The Board Self-Evaluation Form has 5 opinion ratings i.e. 0 = strongly disagree or no action on the matter, 1 = disagree or rarely action, 2 = fairly agree or fairly action, 3 = agree somewhat or good action, and 4 = absolutely agree or excellent action. In addition, there is space for the Board to provide additional comments.

In summary, 73 percent of the Board Self-Evaluation scores were in the high range that absolutely agree or excellent action, while 27 percent were in agree somewhat or good action.

6. Remuneration

6.1 Remuneration for Directors

The Company has not yet appointed a Remuneration Committee; however, determination of directors' remuneration has been carefully considered by the Board of Directors' Meeting. In determining the remuneration for directors, industry rates, experience, duties and responsibilities, business expansion, financial position, and performance results are considered before presentation at the shareholders' meeting for approval. In approving the agenda item on directors' remuneration, shareholders who are the Company's directors or proxies shall not be entitled to vote.

The directors' remuneration is divided into 2 parts. One is the retainer fee in the form of monthly payment. The other is the incentive payment (bonus) which is a special payment for directors once a year according to the value the Company has created for shareholders. In 2015, the Company paid remuneration to directors as follows:

- Director retainer fees of year 2015 totaled approximately Baht 10.920 million.
- The payment of bonus for directors is at the rate of 0.5 percent of dividends paid out to shareholders, equivalent to a total bonus of Baht 35.933 million in 2015. The Chairman is responsible for determining the appropriate amount to be allocated to each director.

6.2 Remuneration for Executives

The Company has a policy to set remuneration for executives that is comparable to other companies in the same industry and appealing enough to attract and retain quality executives. Remuneration is determined by duties and responsibilities, individual performance as well as the Company's performance and is adjusted accordingly.

In order to reward directors and executives of the Company and its subsidiaries for their commitment to create the greatest benefits for the organization; to provide incentives and keep personnel working with the Company for a long time; and to provide opportunities for executives to share in the Company's success and ownership, the Company established the Employee Joint Investment Program (EJIP) No.2 during 2012 – 2017. Details of the program can be found under the "Summary of the Employee Joint Investment Program" section.

7. Development of Directors and Executives

- 7.1 The Company encourages and facilitates persons whose work relate to corporate governance such as directors, members of the Audit Committee, management, internal audit manager and Company Secretary to participate in various training courses and seminars, especially training courses organized by the Thai Institute of Directors Association (IOD). The objective is to have all related persons truly understand their roles and responsibilities and continuously improve their work.
- 7.2 In the case of new directors and executives, the Company provides documents and information to assist in performing their duties as well as an orientation of the Company's business and business practices.
- 7.3 The Company has a work development and succession plan and has created a learning organization. It has initiated the Leadership Development Program and the TLCA Executive Development Program to ensure that the business continues to operate smoothly. One of the Company's important business strategies is to find good and capable people both inside and outside the organization and develop them into leaders at every level. There is a human resource plan to replace and add high-level management positions to support business expansion in an appropriate and transparent manner. Opportunities are also provided to the young generation who are knowledgeable and capable to demonstrate their abilities and further develop their potential to become high-level executives in the future.

In the past year, the Company has emphasized on the leadership development to be convinced all stakeholders to cope with the Company's performance in each year and long term consistency. The Company believes that development of leadership should get along with the work culture so called "Harmony". As a result, the Company has emphasized to develop leadership program through "Action Learning Project-ALP" (employee and management in each function agree to collaborate to achieve the target or objective of the project). In addition, the Company enhanced coaching skill to leaders at each level and expect them to implement this skill with their team. Furthermore, the Company is aware of a change, uncertainty, and complexity of business environment thus the Company provided training course in accordance with new knowledge and new experience for the leaders so that the leaders have gained essential knowledge to manage the business for at present and in the future. In summary, the Company's leadership development has focused on learning by doing (70 percent), coaching and collaboration (20 percent), and training and seminar (10 percent). This is to ensure that capability to perform the role and responsibility of the Company's leaders shall meet the customers and stakeholder's needs, meantime this was resulted in satisfaction and are ready to support the business operation.

8. Prevention of Conflicts of Interest, Control of Internal Information Use

8.1 Prevention of Conflicts of Interest

The Board considers prevention of conflicts of interest as an important duty. Directors, executives, employees, their families and those under the same residence shall not engage in transactions that have conflicts of interest with the Company, whether directly or indirectly and whether conducted by themselves, with members of their family or close persons. In order to prevent possible inappropriateness that may arise, the Board of Directors has administered the followings:

- The Board has stipulated that directors and executives of the Company and its subsidiaries shall provide a report on his/her interest every year, file a report any time there is a change, and maintain the report with the Company Secretary. In addition, copies of the report shall be sent to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The report on the interest of directors and executives reveals the relationship of family members and other persons that may cause conflicts of interest. In case there is a necessity to engage in a related transaction, the transaction must be conducted with transparency and fairness like conducting transactions with outside parties and for the Company's best interests. In the approval of related transactions, directors or executives with vested interests shall be excluded from attending the meeting and voting.
- The Board of Directors' Meeting has approved the principle regarding normal business terms and undertakings that the management may approve the transaction between the Company and its subsidiaries and directors, executives or related persons if the transaction has the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person. In addition, a quarterly report of such transactions must be prepared by the Company and reported to the Board of Directors' Meeting every quarter after the revision by the Audit Committee.

In 2015, there were no connected transactions. between the Company and its subsidiaries and related parties, except the transactions which are conducted on the basis of normal business terms and undertakings that the management can conduct under the principle approved by the Board of Directors.

8.2 Control of Internal Information Use

The Company is highly concerned about the use of the Company's inside information for personal interests. The Company's Business Ethics and Code of Conduct clearly prohibits the use of specific information that is the Company's inside information for trading of the Company's shares or providing this information to others for the trading of the Company's shares. The Company has established a policy and preventive measures regarding insider trading of related persons including directors, executives, employees working in departments related to the information, as well as spouse and minor children or adopted minor children of these persons.

- Related persons shall not trade in the Company's shares in the one-month period prior to the release of the Company's financial reports to the public. The Company Secretary is responsible for sending a reminder e-mail to related persons to halt trading of the Company's shares 1 week prior to the trading halt. Every time directors and executives engage in trading of the Company's shares, they shall file the Report of Changes in Securities Holding (Form 59-2) and report to the SEC Office within 3 working days so that the SEC Office may disclose the shareholding to the general public through the SEC website.
- Use of inside information that has not yet been disclosed to the public or SET for personal interest or the interests of related persons is considered as taking advantage of other shareholders and is prohibited.
- The Company has stipulated that the report of holdings in the Company's shares by directors and executives, their spouse and minor children shall be reported to the Board of Directors' Meeting at the end of every year.

In 2015, further to the Securities and Exchange Commission, Thailand ("SEC") announcement on December 2, 2015 relating to the fines on three executives of the Company which found guilty of insider trading on common share of Siam Makro Public Company Limited, amounted of Baht 31.9 million. Meantime, all three executives have accepted the ruling and paid the fines.

Later, the special meeting of the audit committee which the Company independent directors also participated held on December 17, 2015. The conclusion of the meeting which informed to Stock Exchange of Thailand on December 21, 2015 are as follows

After carefully reviewing the facts and taking into consideration the SEC punishment and the prior behaviour and performance of the individuals and their exceptional skills and experience, which would be difficult to replace, while balancing these factors with the overall effects and benefits to the company, as well as ensuring that this situation can never happen again. The meeting have decided that it is appropriate for the individuals to continue in the business.

However we respect the SEC's decision and find that the company should develop and improve its processes, systems and training on corporate governance to ensure that the Company operates with the corporate governance standards expected of a public listed company going forward. In view of the issue, the Meeting has agreed the following:

1. To designate and appoint a Corporate Governance Committee to be approved at the next Board meeting, significantly broadening and deepening the existing corporate governance systems;
2. To appoint independent external corporate governance experts including legal and audit advisors who will perform a thorough review of the weaknesses in the Company's current corporate governance structures and processes, and make observations as well as recommendations for improvement. These experts will report back to the Corporate Governance Committee.
3. To ensure a comprehensive and ongoing training programs to ensure company directors, executives and anyone in possession of material non-public information to recognize the significance of and to comply with the regulations of the SEC and the Stock Exchange of Thailand.

CORPORATE SOCIAL RESPONSIBILITY

CP All Public Company Limited recognizes its corporate social responsibility, which has been stated as a clear mission to enhance good relations with society and communities, **“To care and cherish, through giving back and engagement”**, for almost three decades. Following a systematic process (refer to picture), the needs and expectations of society and communities are analyzed and used in planning and determining concrete guidelines for operations, with the aim of improving the quality of Thai society, especially the grassroots to be strong and self-sufficient in a sustainable manner.



Picture : CSR Management Process

Fair Business Practices

The Company has established written policies and regulations concerning treatment of all stakeholder groups and has published the Business Ethics and Code of Conduct, which is disseminated to all directors, executives, and employees for their information and strict adherence. The Business Ethics and Code of Conduct is regularly reviewed and improved to ensure that the regulations can be applied in practice for the protection of the rights of all stakeholder groups.

- **Fair Competition**

Since the Company’s partners are a diverse group of large manufacturers, SMEs, building contractors, transportation renderers, franchisees, and etc. Consequently, the Company’s suppliers are treated appropriately, honestly, transparently, fairly, and equitably, without decisions being made based on personal relationships. The Company also has established a policy to prevent conflicts of interest to ensure that all business partners receive fair and equal treatment. In addition, an E-Auction system has been set up.

The Company has an equitable system to select suppliers of products and services, through comparing suitable prices and with a committee to consider the selection of products and services. The procurement of products and services or outsourcing must receive approval according to procedures and regulations as stated in the Company’s Authority Handbook.

In 2015, the Company opened the Partnership Feedback Center as a channel for suppliers to contact and directly communicate with the Company's executives. Information and recommendations are used to improve work efficiency and develop suppliers who are like business partners to grow sustainably alongside CP All.

- **Respect for the others' proprietary right to the asset**

The Company operates its business with integrity and professionalism, without any legal or ethical wrongdoings. The Company does not seek its competitors' trade secrets or information through illegal means nor breach agreements not to disclose its competitors' information whether received from customers or other persons.

Furthermore, the Company does not engage in any activities that violate intellectual property rights, especially those related to computer programs. The Company has announced an information policy to all executives and employees to not install illegal programs and to not support products or services that infringe intellectual property rights.

- **Respect for Human Rights**

The Company respects the rights of all human beings. These include basic rights such as the right to life and freedom, equality according to the law, and freedom of expression, as well as social and cultural rights such as the right to work, the right to health, the right to education, and the right to social welfare.

The Company provides equal employment opportunities, without gender or religious discrimination. In addition, the Company gives cooperation to the government according to the Promotion and Development of Quality of Life for Disabled Persons Act B.E.2550 to hire disabled persons to work in the Company since 2013. At the end of 2015, 540 disabled persons were working with the Company.

Besides operating the business and providing work-related knowledge, the Company places importance on building and developing employees at all levels to be good persons with morals. The Company also instills thinking and values concerning gratitude and maintaining goodness in Thai society in order to build a strong society.

Fair Treatment of Workforce

"Employees" are a valuable resource of CP All and key to successfully achieving its set goals. Thus, the Company cares for its employees like family members. If employees have positive attitude, joy in working, and creative energy, they will extend smiles and share happiness with customers, communities and society.

- **Diversity and equal opportunity**

The Company recognizes the importance and value of graduates of all institutions. Currently, the Company's employees of more than 120,000 people are graduates from different institutions, both in Thailand and abroad. The Company has also established a job position structure that allows for clear career advancement so that employees see opportunities for growth in their line of work according to their capabilities.

- **Promoting learning at all levels**

CP All is dedicated to continuous and regular development of the knowledge and skills of employees at all levels in order to support advancement to various positions within the organization. The Company supports both internal and external training according to job position, together with spiritual development and promotion of ethical behavior of employees.

To create an atmosphere of endless learning, the Company has initiated various projects such as the President Award Project, Process Excellence Award Project, and Chairman Vision Project in order to become an innovative organization.

- **Employment and employee relations**

The Company has set up the Welfare Committee to look after and protect the interests of employees. An employee relations policy has also been stipulated to promote and support employees to receive rights and welfare fairly, such as the right to take leave and transfer. Channels for communication between employees and high-level executives have been established to allow executives to understand and directly listen to various problems and suggestions from employees. This in turn creates security for employees, confidence in the Company, and employee dedication to performing their duties well.

The Company has set an appropriate salary and benefits payment system on par with leading companies in the same business. It does not hire illegal workers in every area its business is located. Employees are fairly evaluated and treated without consideration to personal relationships.

The Company pays attention to the quality of working conditions and treats all employees equitably. An employee satisfaction survey is conducted annually. Based on the survey, benefits have been set to meet the diversified demands of employees. These benefits include payment of hospital fees for employees and their family, life and health insurance for employees, provident fund, Employee Joint Investment Program No. 2 for a period of 5 years (EJIP: 1 July 2012 – 30 June 2017), scholarships for employees and their children, loans for in-patient hospital admission, housing loans, and relief programs for unexpected disasters.

In addition, the Company places importance on caring for the safety of employees. Training programs have been organized to promote safety in the workplace according to the law. Such training programs include Basic Fire Fighting, First Aid, and Electrical Safety. The Company has also set up the Safety Committee to train employees to handle different kinds of situations, to establish safety prevention systems, and to organize activities related to safety and 7S.

Responsibility to Consumers

The Company gives importance to and cares for customers with responsibility. The Company is determined to give customers the greatest satisfaction in terms of both quality and value for money. The Company ensures quality control of products and services, emphasizing tastiness, freshness, cleanliness, safety, and nutrition. Furthermore, the Company is dedicated to product and service development and fostering long-lasting customer relationships. A clear policy regarding fair treatment and responsibility to customers is stated in the Company's Business Ethics and Code of Conduct.

In addition, the Company provides several channels for customers to search for information, make business appointments, and send complaints via store branches, post, the Company's website, social media, and Call Center.

Care for the Environment

7 Go Green is the Company's environmental conservation strategy, focusing on instilling a "Green Resolution" in the hearts of employees which will make 7-Eleven stores one with the community and environmentally friendly.

- **Energy Efficient Store**

The 7-Eleven store at Tara Square on Chaengwattana Road is the first convenience store in Thailand and the AEC to receive the TREES Platinum Green Building Rating, the highest rating among 4 ratings, from the Thai Green Building Institute (TGBI) according to Thai's Rating of Energy and Environmental Sustainability (TREES) standards. TREES standards cover building design, construction and management; layout plan and landscape; water, energy and air conservation; construction materials and resources; indoor environmental quality; prevention of environmental impact; store equipment; and other innovations.

The 7-Eleven Tara Square store is also the first and only convenience store in Thailand to receive certification for successfully meeting the requirements of the Carbon Footprint Label Scheme from the Thailand Greenhouse Gas Management Organization (Public Organization) in September 2014. The 7-Eleven Tara Square store had total carbon emissions of 516 kg/year from its activities. In addition, the Company recognizes the importance of the country's greenhouse gases reduction policy according to the National Climate Change Master Plan which states reduction of CO₂ emissions in the range of 7–20% in 2020 as well as support for domestic voluntary carbon market. Thus, the Company nominated the 7-Eleven Tara Square store to participate in the Carbon Footprint for Organization Program as well as the Carbon Offsetting Program. The 7-Eleven Tara Square store offset a total of 167 tons of Carbon emissions.

Joining in the Development of Communities and Society

Besides providing convenience to every community, the Company strives to build good relations with and provide cooperation to every sector in society to support communities and socially underprivileged people to be stronger.

- Scholarships for occupational training – The Company, in cooperation with the Southern Border Provinces Administrative Center, has created educational opportunities for youths who are the children of deceased or disabled persons who served in the line of duty in the southern border provinces. The Company provides scholarships that cover accommodation until the completion of the vocational or bachelor level at institutions participating in the Company's bilateral vocational education program.
- Scholarships for children of grocery store owners – The Company, in cooperation with The Development of Thai Capital Retailers Association and the Ministry of Commerce's Department of Internal Trade, has provided 1,000 free scholarships to children of grocery store owners to study in the bilateral education program at Panyapiwat Technological College in order to bring back the knowledge to develop and sustainably grow their family store.
- Transfer of retail knowledge – The company has organized free seminars, "Creating Sustainable and Wealthy Grocers", with experienced speakers both from inside and outside the Company. The purpose of the seminars is to enable small retail operators and interested persons to be able to adapt new retail knowledge to operate their business sustainably. To date, over 6,500 persons have attended the seminars.
- Channel for product distribution – The Company provides opportunities for SMEs to distribute their products which are of high quality and standard via 7-Eleven stores and 24 Shopping. At present, the Company has more than 20,000 SMEs in every region as its business partner. In addition, the Company has initiated various programs to develop the knowledge and capabilities of its business partners to operate their business professionally.

- Center for receiving donations and providing assistance to disaster victims both inside the country and abroad – The Company received donations from the general public countrywide through Counter Service at 7-Eleven stores under the “Pray for Nepal” program, in which the Company was responsible for all fees. Combined with the donations from 7-Eleven employees and executives, the donation to assist the earthquake victims in Nepal amounted to Baht 14 million. Furthermore, CP All and CP All Employee Volunteer Club joined with employees of the Charoen Pokphand Group to prepare 10,000 relief bags and 30,000 all-purpose mats to deliver to the earthquake victims under the “Thailand for Nepal by CP Group” program. This is testament to the Company’s corporate responsibility to the nation and global society.

Role in the Marketplace and Job Creation

- **Education and Youth Development**

The Company has a clear policy regarding promotion of education and youth development and has taken concrete actions in this area throughout the past 27 years, both in terms of CSR in-process which includes training youths, especially those who lack educational opportunities, to enter the retail business, as well as CSR after-process which emphasizes promotion of reading, writing, learning and intellectual skills. The Company’s CSR in-process and CSR after-process are closely related and lead to development of work-based learning, creating professionals to support economic growth, as well as foster good ties with the country’s education sector.

- **Work-based Learning**

CP All has a clear policy regarding promotion of education and youth development. For the past 27 years, the Company has implemented concrete activities to promote all-rounded learning of youths. The Company has also trained the new generation into the retail work process through “Innovative Education Work-based Learning”, which aims to build professionals to support the country’s economic growth.

- **Education that Answers the Labor Market**

To create a strong Thai educational foundation that can support the nation’s growth in all dimensions, CP All has developed the modern retail curriculum under the “bilateral” program since 1993. The program opens opportunities for youths to learn from first-hand experience training in 7-Eleven stores. This later developed into work-based learning, combining the academic and real-life work together based on ethics and professionalism, and the establishment of Panyapiwat Technological College (PTC) in 2005. PTC offers courses at the vocational level focusing on retail business and electrical training. Its program was expanded to 20 Panyapiwat Learning Centers and 72 vocational schools nationwide in 2014, turning out personnel who are immediately ready to work in the retail industry.

In 2007, the Company established Panyapiwat Institute of Management (PIM) to provide education at the Bachelor’s, Master’s and Doctorate level. To date, PIM has produced more than 11,000 highly qualified graduates. The Company provides scholarships to most of the students to offer equal opportunities for the nation’s youth to have access to education at all levels and to solve the problem of being unable to find work after graduation. The work-based learning program offers many different courses in line with the country’s need for a qualified workforce. For the academic year 2015, a new faculty, the Faculty of Agro-Industry, was opened.

Development of Youths who Love Learning

In order to help develop Thai society to be a learning society and to help create a population with quality for the nation, CP All has implemented activities for youth development with consideration to the interests of the target group, development of age-appropriate skills, and continuous skill development.

- **Integrated Thai language promotion** – CP All has promoted reading and writing Thai since 1999. The Company has also supported the development of Thai youths to enter the literature circle through the “Love Reading Project”, “Literature Seeds Project”, and “7-Eleven Discovers Dream Cartoonist Project” in close partnership with Srinakarinwiroj University, the Writers Association of Thailand, and the Association of Thai Language Teachers of Thailand. One of the objectives is to develop the reading and writing skills of Thai youth to be able to submit entries to the 7 Book Awards. The 7 Book Awards is another important project that recognizes and supports quality writers to continuously create outstanding works and promotes reading to be widespread in Thai society. In 2015, the Company initiated the “Poet Stairway Project” in order to develop youth to have literature skills in various forms.
- **Intellectual development with Go Game** – Through CP All’s promotion of playing the Go Game, the Go Game has become popular among Thai children and youths. The Company has supported the organization of numerous Go Game competitions at various levels. These include “King of Go Thailand”, “Thailand 16 Dan Go League” and “BMA Kids Go Tournament”. Furthermore, the Company promotes playing the Go Game online at HYPERLINK “<http://www.thaigogenius.com>”www.thaigogenius.com.

From the study and evaluation of playing the Go Game conducted by Mahidol University, it was found that youth who play the Go Game experience positive change in terms of intellectual development, creative thinking, and strategic thinking. The players have better concentration, memory, and planning skills.

Results from being recognized by society and communities

- **Thailand’s Top Corporate Brands 2015** in the services industry group, commerce business category, Number 1 for 5 consecutive years, awarded by Chulalongkorn University’s Faculty of Commerce and Accountancy
- **YouTube Ads Leaderboard Winner** for the “Everlasting Teacher” creative ad which had the top 10 highest number of views and shares on YouTube in the first quarter of 2015, awarded by Google Thailand
- **Honorary Plaque for Consumer Protection Supporting Organization**, awarded by the Office of the Consumer Protection Board

Innovation and Propagation of CSR Innovation

From the success of the opening of the prototype energy efficient store, the Company has a policy to use these technological innovations in the improvement of existing stores and opening of new stores in the following areas:

- **Building Envelope Expand** construction results by using construction materials that reduce heat in the building according to Green Building standards.
- **Equipment** Expand use of LED bulbs to all stores nationwide within 3 years and design installation to reduce number of bulbs by 30%.
- **Behavior** Promote and support correct use of equipment.

Co-creation with Stakeholders

The “Think Bags” Campaign has been implemented for the 5th consecutive year. The Company has instilled a green resolution in the hearts of 7-Eleven employees in order to be a major force in communicating to consumers to help reduce global warming through the reduction and refusal of plastic bag use under the “Think Bags” Campaign. In addition, the Company continues to focus on developing the model energy efficient store which reduces greenhouse gas emission. The Company also has plans to improve equipment and their correct use so that every 7-Eleven store is environmentally friendly as well as community friendly.

Anti-Corruption

The Company’s Board of Directors recognizes and gives importance to good corporate governance by using the system as a guide in corporate governance and has supported the Company becoming a member of the Private Sector Collective Action Coalition Against Corruption (CAC) so that directors, executives, employees and all stakeholders join in fighting corruption. The Corporate Governance Committee, under the governance of Sustainable Development Committee, is responsible for monitoring the performance of employees to be in line with the Company’s corporate governance policy and Business Ethics and Code of Conduct. It is also responsible for considering complaints and providing fairness to all stakeholders. The Company has taken action to create confidence in accordance with the anti-corruption policy as follows:

1. The Company has produced handbooks on Corporate Governance Policy and Business Ethics and Code of Conduct to ensure transparency and accountability as well as to provide business conduct guidance. There are regulations related to corruption and illegal behavior for executives and employees to strictly adhere to. For example, not accepting things beyond normal remuneration. Executives, employees and their close persons shall not accept money, benefits, or things from persons with business relations with the Company. If they have to accept the gift with value beyond normalcy from persons with business relations with the Company, they must report to their superiors in writing and deliver the gift or such thing to the Company. Acceptance of the gift must not cause conflict of interest or unfair treatment in performing duties.

2. The Company has a communication channel for stakeholders and employees to express their opinions, file complaints and provide tip-offs in case of unfair treatment or corruption which can be made directly to:

Internal Audit Office CP All Public Company Limited

119 Tara Sathorn Building 16th Floor, Soi Sathorn 5, South Sathorn Road,

Tungmahamek, Sathorn, Bangkok 10120

Tel: 0 2648 2770 Fax: 0 2679 0057

E-mail: kidsada@cpall.co.th

The Company intends to fight corruption by using the anti-corruption standards set by the Private Sector Collective Action Coalition Against Corruption in improving and revising its handbooks on Corporate Governance Policy and Business Ethics and Code of Conduct to have clearer practical guidelines.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company is fully aware that internal control is one of the most important processes and that good internal control will ensure that the Company's operation system is correct, transparent and verifiable and can reduce or prevent possible damages. The Company has continuously developed its internal control system to be effective and efficient so that shareholders are confident in the Company's internal control system. The Board of Directors has appointed the Audit Committee, consisting of 3 independent directors with all qualifications according to the requirements of the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand, to review the Company's financial reports to ensure accuracy and reliability. In addition, the Audit Committee reviews the connected transactions or the transactions that may lead to conflicts of interest to ensure that they are reasonable and for the highest benefit of the Company; reviews the adequacy of the Company's risk management, internal control and internal audit systems; and reviews the Company's compliance with the law on securities and exchange and the laws relating to the Company's business.

The Audit Committee has assigned the Company's Internal Audit Office, which is independent from management, to be responsible for auditing and reviewing the performance of various departments in the Company and its subsidiaries to ensure that they have complied with the Company's internal control system. The Audit Committee evaluates the adequacy and appropriateness of the Company's overall internal control system which includes:

1. Control Environment

The Company promotes and supports a good internal control environment. The Company has established written policies related to corporate governance and business ethics which have been communicated to employees at all levels for their information and strict compliance. There is also a penal code for violations. The organizational structure has been set to correspond with the business plan and is regularly adjusted to be appropriate with operations. The lines of command are divided according to different fields corresponding to operation strategies and corporate governance. This ensures that management and employee performance is effective and can be clearly monitored, inspected and evaluated. The Internal Audit Office, which is independent and reports directly to the Audit Committee, is responsible for examining and verifying performance, supporting a good internal control environment.

2. Risk Assessment

The Company has set up a good risk management system and internal control system. The Risk Management Committee is responsible for establishing the policy framework as well as systematic risk management. 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; 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 Board of Directors every 6 months. The Internal Audit Office also monitors whether various units have followed the risk management measures in order to ensure that the Company's risks are at acceptable and manageable levels.

3. Control Activities

The Company has clear and appropriate control activities. KPIs assist in planning and control. The Business Ethics and Code of Conduct and the Company's corporate governance policy provide guidelines for performance of duties. All employees are made aware of the Code of Conduct since the orientation for new employees. The Company has clearly defined the duties and responsibilities of various work functions. Correctness can be cross-checked to reduce risks in corruption or inappropriate actions. The authority and approval limit of various types of transactions of executives are clearly written in the "Authority Handbook". Furthermore, the IT system classifies the roles as well as control and access to information at various levels. The IT system has set access codes and an information database which can be later retrieved for verification. The policy regarding information security and information system has been announced and disseminated among employees at all levels to be aware of and strictly comply with information security. Procedures regarding connected transactions and the transactions that may lead to conflicts of interest are clearly stated to ensure transparency and the greatest benefits of the Company. The Internal Audit Office regularly reviews the adequacy and appropriateness of the control system, with the audit plan also covering important work processes.

4. Information and Communication

The Company recognizes the significance of information systems and communication. There are both internal and external communication channels to ensure that the decision-making of the Company's shareholders, stakeholders, directors, and executives are based on information that is correct, adequate, reliable and up-to-date. Important and general information is disclosed in the annual report and Form 56-1 through the Company's website HYPERLINK "<http://www.cpass.co.th>" www.cpass.co.th and the Stock Exchange of Thailand. The Company's policies, regulations, announcements and important news are clearly communicated to all employees via various channels. With regards to the Board of Directors Meeting, the Company will send the invitation to the meeting, agenda, and related meeting documents in advance within the regulated time period so that directors have sufficient time to consider the information before attending the meeting. The minutes of the Board of Directors Meeting is prepared for every meeting, recording the inquiries of directors and the opinions or observations of directors for each agenda item. Moreover, the Company has an information database that can be used for the Company's business operations. All documents are stored by category, especially financial documents which are essential in preparing financial reports. In addition, the Company has a clear policy regarding information control in terms of access and improper use of information, which is in line with the Computer Related Crime Act B.E. 2550 (2007).

5. Monitoring

The Company regularly monitors performance to evaluate whether the set KPIs have been achieved as planned as well as analyzes the reasons in case the results were not as planned. The Internal Audit Office, which is an independent unit, reviews and audits operations to be in line with the control system, with emphasis on operational processes with high risk. The Internal Audit Office directly reports matters found to the Audit Committee and regularly monitors the improvements and remedial actions made by the unit that was audited. The Audit Committee reports the audit results to the Board of Directors every quarter. In addition, the Audit Committee meets with the Company's external auditor to evaluate the adequacy and effectiveness of the Company's internal control system.

In 2015, the Audit Committee had the same opinion with the external auditor that there was no material weakness in the internal control system. The Company has a sufficient and appropriate internal control system for its business and all units complied with the procedures and regulations. No material weakness was found in the internal control system.

HEAD OF INTERNAL AUDIT BIOGRAPHY

Name Mr. Krisada Euapiyachart
Position Vice President - Internal Audit

Education

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

Experience

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

Training by the Thai Institute of Directors Association (IOD)

2009 Company Secretary Program
 2010 Audit Committee Program
 2014 Anti-Corruption: The Practical Guide

Duties and Responsibilities of the Head of Internal Audit

1. Determine the structure and scope of responsibilities of the Internal Audit Office and manage general operations of the Internal Audit Office
2. Prepare the handbook and operating standards for internal auditors and monitor that the internal auditors have performed their duties according to the established standards
3. Formulate the annual audit plan which is considered and approved by the Audit Committee
4. Determine the annual budget and Key Performance Indicators for auditing
5. Review the Audit Program of each audit unit including performance of duties and information to ensure worthwhile use of resources and efficient and effective audit results
6. Verify the appropriateness of information storage systems and the existence of the Company's assets
7. Evaluate the reliability and correctness of accounting and financial information
8. Monitor that the operations of various departments comply with the policies, objectives and regulations of the Company and related laws
9. Review the audit results and follow up on performance results following the recommendations
10. Report the audit results to the executive team, the Audit Committee, and the Board of Directors
11. Select and develop internal auditors at all levels to be knowledgeable and skilled and evaluate the performance of internal auditors
12. Provide advice and recommendations on internal control systems and risks to various departments
13. Perform other special tasks as assigned by the executive team and the Audit Committee
14. Liaise with the executive team, the Audit Committee, the Company's auditor and advisors

RELATED TRANSACTIONS

In 2015, the Company and its subsidiaries did transactions with related parties which these inter-company transactions were made and agreed as a normal business transaction at general market prices and commercial terms. (Details are provided in Note 5 of the Company's financial statements for the year ended December 31, 2015). The Audit Committee has reviewed that all transactions were reasonable and transparent and complied with the rules and regulations under the Notification of the Stock Exchange of Thailand regarding Related Transactions of a Listed Company. The related transactions incurred in 2015 were as follows:

Trade Accounts Receivable

As at December 31, 2015, the Company and its subsidiaries had a trade accounts receivable balance with related parties in the amount of Baht 73 million or 8.51 percent of the Company and its subsidiaries' total trade accounts receivable.

Other Accounts Receivable

As at December 31, 2015, the Company and its subsidiaries had other accounts receivable balance with related parties in the amount of Baht 340 million or 16.71 percent of the Company and its subsidiaries' total other accounts receivable.

Trade Accounts Payable

As at December 31, 2015, the Company and its subsidiaries had a trade accounts payable balance with related parties in the amount of Baht 5,593 million or 8.93 percent of the Company and its subsidiaries' total trade accounts payable.

Other Accounts Payable

As at December 31, 2015, the Company and its subsidiaries had other accounts payable balance with related parties in the amount of Baht 69 million or 1.89 percent of the Company and its subsidiaries' total other accounts payable.

Sales of Goods and Services

In 2015, the transactions for sales of goods and services with the Company's related parties were determined and agreed on a normal course of business at general market prices and commercial terms. These transactions for the fiscal year ended December 31, 2015 amounted to Baht 1,560 million or 0.40 percent of the Company and its subsidiaries' total sales and services income.

Purchases of Goods and Services

In 2015, the transactions for purchases of goods and services with the Company's related parties were determined and agreed on a normal course of business at general market prices and commercial terms. These transactions for the fiscal year ended December 31, 2015 amounted to Baht 28,004 million or 9.14 percent of the Company and its subsidiaries' total cost of sales and services.

Other Operating Income

In 2015, the Company and its subsidiaries recognized other income from related parties in the amount of Baht 806 million or 5.81 percent of the Company and its subsidiaries' total other income.

Rental and Service Fees

In 2015, the Company and its subsidiaries paid rental and service fees according to the lease agreements to related parties. The rental and service fees were made and agreed at standard rates advised by the lessor. These fees for the fiscal year ended December 31, 2015 amounted to Baht 132 million or 0.18 percent of the Company and its subsidiaries' total selling and administrative expenses.

Technical Service Fees

In 2015, the Company and its subsidiaries paid technical service fees to related parties based on contract prices. The technical service fees for the fiscal year ended December 31, 2015 amounted to Baht 9 million or 0.01 percent of the Company and its subsidiaries' total selling and administrative expenses.

Purchases of Fixed Assets

In 2015, the Company and its subsidiaries purchased fixed assets with related parties at prices determined and agreed on a normal course of business at general market prices and commercial terms. These transactions for the fiscal year ended December 31, 2015 amounted to Baht 28 million or 0.03 percent of the Company and its subsidiaries' total fixed assets.

Other Expenses

In 2015, the Company and its subsidiaries paid other remunerations to related parties in the amount of Baht 365 million or 0.49 percent of the Company and its subsidiaries' total selling and administrative expenses.

Procedures for the Approval of Related Transactions

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

In reference to transactions with possible conflicts of interests or related transactions, the Audit Committee will review and ensure that transactions comply with the regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 and the notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions. The Audit committee will comply with the Securities and Securities Exchange laws, regulations and announcement from the Stock Exchange of Thailand, as well as the disclosure rule of the connected transaction. The policy on conflicts of interests is clearly stated in the Company's Code of Business Ethics for the directors and employees to correctly follow. In addition, the Related Transactions Review Committee has been established to monitor that these transactions are in accordance with the notification of the Capital Market Supervisory Board.

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

Policy on Related Transactions

The Board of Directors has a policy that clearly states that related transactions may occur under the ordinary course of business but these transactions must be necessary and have prices comparable to prevailing market rates for the best interests of the Company. There shall be no transfer of benefits between the Company and related companies or persons. As the Company and its subsidiaries operate a retail business and must purchase and sell goods and services with other companies as well as related companies, the Company expects related transactions for the purchase and sale of goods and services will still exist in line with the Company and its subsidiaries' business expansion. Other types of transactions will depend on business necessity. Short-term loans to related companies will depend on the short-term financial needs of the related companies and the Company's policy on cash flow management.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Discussion and Analysis of Financial Status and Operating Results

Financial status and operating results of the Company reported in the consolidated financial statements were generated from 3 main businesses including 1) convenience store business in Thailand 2) other businesses in Thailand such as manufacturing and sale of ready-to-eat food and bakery products, bill payment collection services, and sale and maintenance of retail equipment, and 3) membership based Cash & Carry trade centers.

Analysis of Operating Results for the Year Ended December 31, 2015 Compared to the Operating Results for the Year Ended December 31, 2014

In 2015, the overall retail business posted low growth, mainly due to the Thai economic recovery which was slower than expected. Household consumption slowed down as a result of household expenses and debt obligations. The drought problem caused prices and production of agricultural products to fall, resulting in reduced income for farmers. Meanwhile, the economy of Thailand's major trading partners also slowed down, affecting the country's exports. Furthermore, the government's basic infrastructure investment projects were delayed. However, growth from the tourism industry positively contributed to spending circulating in various tourist destinations. Low world oil prices contributed to lower expenses and cost of production. In addition, the government's tax measures at the end of the year helped stimulate spending in the household sector in the short-term. Consequently, the overall retail business grew 3 percent in 2015.

In 2015, the Company and its subsidiaries' total revenues were Baht 405,893 million, increasing 9.3 percent from that of 2014 mainly due to an increase in sale of goods and rendering of services of convenience store and other supporting businesses and the consolidation of Cash & Carry business under the name "Makro".

Total revenues before elimination be contributed from three businesses were, (1) convenience store business accounting for 58 percent (2) membership based Cash & Carry trade centers accounting for 36 percent, and (3) other businesses in Thailand such as manufacturing and sales of convenience food, payment service, distributing and maintenance of retailing equipment, etc. accounting for 6 percent. The revenue contribution from three businesses were at the same level in 2014

The growth in net sales and service income of convenience store business was mainly due to the expansion of 705 stores in 2015, exceeding our target of 600 stores and an increase of other operating income followed the same rising trend. In addition, Makro's revenues continued to grow from store expansion and a rise in the number of registered customers and an increase in income from other businesses.

Gross Profit

In 2015, the Company and its subsidiaries' gross profit was Baht 85,299 million, an increase of 11.8 percent from last year, which was mainly due to improved performance of the convenience store business and other supporting businesses, and the consolidation of Makro performance, as well as the management and

development in the product selection to response customer's needs. However, gross margin in the consolidated financial statement increased from 21.3 in 2014 to 21.8 percent in 2015 resulted from the gross margin expansion from every business including Makro business.

Selling and Administrative Expenses

In 2015 selling and administrative expenses were Baht 73,905 million, increasing 7.5 percent from last year. Meanwhile, SG&A to total revenue decreased to 18.2 percent in 2015, compared to 18.5 percent in 2014, detail of major expenses according to consolidated financial statements as below :

- 1) Personnel expenses were Baht 19,897 million, up 13.1 percent from last year, mainly due to the store expansion from both convenience store business and Siam Makro business.
- 2) Store management fees were Baht 14,017 million, up 9.7 percent from last year, mainly due to an increase in the number of franchise stores and higher revenue from sales.
- 3) Depreciation expenses were Baht 6,198 million, up 16.0 percent from last year, mainly due to store expansion.

Other SG&A expenses such as utility expenses, advertising and promotion expenses and others were also increased but at level lower than the revenue growth. Other SG&A expenses were vary to sales growth and increase in number of stores .

Operating Profit and Net Profit

Operating profit in 2015 was Baht 25,469 million, up 20.7 percent from last year and net profit was Baht 13,682 million or earnings per share of Baht 1.52, up 34.1 percent from last year. This was mainly due to a well controlling on SG&A expenses, as well as a decrease of finance cost after issuing bonds.

Operating Results of the Convenience Store Business

In 2015, the convenience store business had total income of Baht 249,758 million, an increase of Baht 20,762 million, or 9.1 percent. Meantime, number of new stores increased 8.7 percent from last year. As of the end of 2015, there are 8,832 stores, compared to 8,127 stores in 2014.

In terms of the product mix, food and beverages accounted for 71.9 percent while non-food items excluding phone card accounted for 28.1 percent which this proportion was at a level similar to last year. However, gross profit margin increased from 27.7 percent in 2014 to 28.0 percent in 2015, and the gross profit increased to Baht 64,664 million from Baht 58,382 million in 2014, or an increase of 10.8 percent. This was mainly due to the success of product mix management.

Other income increased from Baht 13,049 million to Baht 13,987 million in 2015, or an increase of 7.2 percent because of higher sale promotion income and higher income on royalties and other fees relating to license income.

SG&A expenses increased from Baht 58,886 million in 2014 to Baht 62,260 million in 2015, or an increase of 5.7 percent. The expenses that were rising including personnel expenses, store management fee and depreciation caused by store expansion.

Operating profit of the convenience store business was Baht 21,013 million, increasing by 18.6 percent from last year, while net profit was Baht 11,376 million, increasing by 31.0 percent from last year.

Operating Results of Other Businesses

Other businesses comprise of bill payment services, manufacturing and sale of convenience food and bakery products, distribution and maintenance of retail equipment, product and service payment through Smart Card, and other businesses, etc. In 2015, profit before tax was Baht 2,301 million, increasing by 5.4 percent from last year.

Operating Results of Cash & Carry Trade Centers

In 2015, Makro's total revenues were Baht 155,914 million, increasing by 9.4 percent due to a revenue from sale of goods from new opening stores in the past year. Gross profit to total revenue of 11.5 percent increased from 11.1 percent in 2014 because of higher sales contribution from high margin products. However, profit before tax of Baht 6,430 million increased from Baht 5,806 million in 2014, increasing by 10.7 percent, and accounted for 4.1 percent to total revenues.

Analysis of the Company and its Subsidiaries' Financial Status for the Year Ended December 31, 2015

Total Assets

As at December 31, 2015, the Company and its subsidiaries reported total assets of Baht 329,083 million, a slightly increase of 0.8 percent compared to the previous year. The increased assets included inventory, land, property and equipments which caused by an increased of sales, and store expansion of 7-Eleven and Makro. Meantime, a decrease of cash on hand was used in financing activities.

In addition, other current assets was Baht 6,092 million which including cash card, accrued income, prepaid expenses, receivable from revenue department. While, other non-current assets was Baht 2,060 million which including prepaid rental and service fees, and guarantee deposit. Other non-current assets was at the similar level of last year.

Total Liabilities

As at December 31, 2015, the Company and its subsidiaries had total liabilities of Baht 287,407 million, decreasing by 1.3 percent from the previous year with interest bearing debts of Baht 189,486 million, decreasing by 4.5 percent. Net debt to equity in 2015 was reduced to 4.0 times from 4.7 times in 2014.

Total Shareholders' Equity

As at December 31, 2015, the Company and its subsidiaries had total shareholders' equity of Baht 41,676 million, an increase of 18.9 percent. This was due to an increase in profit from business operation.

Analysis of Statements of Cash Flows, Liquidity and Sources of Funds of the Company and its Subsidiaries for the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

Liquidity

As at December 31, 2015, the Company reported cash and cash equivalent of Baht 21,518 million, accounting for 6.5 percent of the Company's total assets decreasing from 9.9 percent of 2014. The Company's liquidity remained healthy from efficient working capital management, having negative cash cycle of 43 days in 2015 which resulted from inventory period of 28 days and payable period of 72 days.

Cash Flow from Operating Activities

In 2015, net cash flow from operating activities totaled Baht 31,419 million, up 19.1 percent from the same period of last year due to an increase in operating profit.

Cash Flow from Investing Activities

In 2015, net cash flow used in investing activities amounted to Baht 17,409 million increasing by 9.1 percent from the same period of last year. Investments in assets were used in the normal course of business such as land, buildings and leasehold improvements, as well as capital expenditure on 7-Eleven stores expansion and renovation, new distribution center in Chonburi province, and Makro stores expansion.

Cash Flow from Financing Activities

In 2015, net cash flow used in financing activities totaled Baht 24,780 million. The key financing activities were used in interest payment, dividend payment, including repayment of loan from financial institution after issuing bonds, and etc.

Financial Ratio Analysis

Liquidity ratio and quick ratio

As at December 31, 2015, the Company's liquidity ratio and quick ratio were 0.6 time and 0.2 time respectively, decreased from 0.7 time and 0.4 time from last year. This was mainly due to decreasing in cash and cash equivalents of the use of financing and investing activities.

Return on shareholder's equity

In 2015, the Company's return on shareholder's equity increased to 40.2 percent compared with 34.3 percent in last year. The DuPont Analysis is as follow;

The DuPont Analysis	2015	2014
Profit Margin (percent)	3.4	2.7
Total Asset Turnover (times)	1.2	1.2
The equity multiplier (times)	15.6	15.3

Factors which may Impact Operating Results and Financial Status of the Company and its Subsidiaries in the Future

The ever-changing demand of customers is a major factor that affects the Company's revenues and profits. If the Company is able to offer products and services that meet customers' needs, its customer base will expand, enabling higher sales and enhanced gross margin. The Company aims to increase the sales proportion of ready-to-eat products in order to gain better profit margins. In addition, the Company's policy is to continue store expansion to reach more population density. On other businesses such as bill payment services, manufacturing and sale of food and bakery products, maintenance of retail equipment as well as new projects including best-sellers publications, books and magazines sold exclusively to Book Smile, or projects in co-operations with various organizations to develop innovation under "7 Innovation Awards" providing support to small and medium business enterprises to grow with the Company, these businesses will grow along with 7-Eleven stores to support more efficient operation, differentiate products and services from competitors and enhance revenues.

The Company has prepared supply chain management by operating a new distribution center in Choburi province in 2015. The expansion of distribution centers will support the Company's store expansion and enable the Company to deliver products more efficiently, provide products to customers on a timely manner, and strengthen the Company's competitive advantage. As a result, the Company has a total of 7 regional distribution centers for consumer products and temperature-controlled products, making it the retailer with distribution centers covering the largest area in Thailand. In 2016, the Company has plans to expand distribution centers for temperature-controlled products in Surat Thani Province and Lamphun Province.

In addition, Makro performance has been improved and continues to expand stores with high potentials to grow. Although the Company incurs interest bearing debts from such acquisition, we believe that our improved operating cash flow can service all debt obligations.

AUDIT COMMITTEE'S REPORT

The Company's Board of Directors appointed the Audit Committee consisting of the three independent non-executive directors who are knowledgeable and have experiences in various areas such as legal affairs, organization management and financial accounting. The Audit Committee members have composition and qualifications according to the Notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, comprising of Prof. Dr. Komain Bhatarabhirom, as the Chairman of the Audit Committee, Mr. Pridi Boonyoung and Mr. Padoong Techasarintr, as members of the Committee and including Mr. Kidsada Euapiyachart, the Vice President of the Internal Audit Office, as the Audit Committee Secretary.

The Audit Committee had performed their duty independently and had freedom in expressing their opinions within the boundary of the roles and responsibilities assigned by the Board of Directors. They oversaw the operations to ensure transparency, honesty and fairness for the best interest of the shareholders. The Audit Committee received good cooperation from the Company's Management and both the Internal and the External Auditors.

During the year 2015, the Audit Committee had 11 meetings with the presence of all the three committee members in every meeting. These meetings were held with the Internal Auditors and sometimes the External Auditors and the Management of the Financial Accounting Department and the Operations Departments were invited to attend some agenda for exchange of ideas and suggestions. The main topics of the meetings were summarized and reported to the Company's Board of Directors every three months. Important issues are summarized as follows:

1. Reviewed the quarterly and annual consolidated financial statements of the Company and its subsidiaries for the year 2015. This included the review of financial reports, the disclosure of information in the notes to financial statements, the accounting policies, the special transactions and the critical projections. Moreover, there were meetings with the External Auditors which freely discussed the results of the audit and material information in preparing the financial statements and their disclosure to be in conformity with the standard financial reporting for the benefit of shareholders and users of the financial statements. The External Auditors informed of their independence in performing their work. They did not find any significant problems related to accounting and finance and received good cooperation in performing their work.

The Audit Committee has the opinion that the mentioned financial statements were essentially correct according to the generally accepted accounting standards and in compliance with the Auditor's opinions with complete and sufficient disclosure of information and its notes as well as in time for the benefits of the shareholders and the users of the financial statements.

2. Reviewed and revised the adequacy and appropriateness of the internal control system of the Company and its subsidiaries to reasonably ensure efficiency and effectiveness of the Company's operations in line with the approved annual plan and ability to achieve the set objectives and goals. This was considered from the monthly audit report of the Internal Auditors in order to assess the internal control system, risk management, good corporate governance, and creditability of the financial reports. The Audit Committee also acknowledged the progress report on recommended corrective actions to ensure that the Company was able to solve problems in a timely manner. In addition, the Audit Committee reviewed the completeness and adequacy of measures and guidelines to protect against corruption in different departments.

The Audit Committee had an opinion that the internal control system of the Company was adequate, appropriate and effective for the business.

3. Reviewed the appropriateness in dealing with the related transactions or the transactions which might cause conflict of interests; they were justifiable and created the highest benefits to the Company's operations and its shareholders. This included the observations for ensuring disclosure of information and operating in compliance with the announcements of the Securities and Exchange Commission and all the relevant laws. In addition, the Audit Committee instructed the Internal Auditors to emphasize reviewing the related transactions between the Company, its subsidiaries and the related parties and report those transactions to the Audit Committee meeting every month and to the Board of Directors meeting every quarter.

The Audit Committee agreed that the related transactions or the transactions which might cause conflicts of interest were transparent, fair and generated the utmost benefits to the Company's operation and its shareholders. The same commercial conditions used with the external parties were applied. In addition, complete and sufficient disclosure of information in accordance with the law and the regulations of the Securities and Exchange Commission was also observed.

4. The Audit Committee and the Management emphasized risk management by setting up a policy and guidelines. The Risk Management Committee is responsible for assessing the risks covering all aspects, both internal and external factors, and their possibility to happen and affect the businesses. The Risk Management Committee also established preventive measures in order to mitigate the possible impacts and keep them at the acceptable level. Moreover, the Risk Management Committee constantly monitored the progress of risk management in order to improve various measures to respond to the current changing situation. The Risk Management Committee also communicated to all employees to raise their awareness and cooperation in looking for risks and organized a competition on risks found. The summary report of the works of the Risk Management Committee was submitted to the Board of Directors every 6 months. Furthermore, the Internal Auditors were assigned to monitor and to inspect whether the risk mitigation guidelines were being followed. This was to ascertain that the Company's risks were kept at the acceptable and manageable level.

The Audit Committee agreed that the risk management system of the Company was appropriate and sufficient for its operations. The assessment of risks, the management of risks and its progress monitoring as well as the revision of risks in order to respond to the current situation were regularly carried out.

5. The Audit Committee found that the Management had a clear approach in working according to the Securities and Exchange Act as well as the regulations of the Stock Exchange of Thailand and all the laws which are important and relevant to the Company's business including the Company's obligations with external parties. A staff has been designated to be directly responsible for this matter. According to the review, it was not found that the Company deliberately refrained from or significantly worked against the law, the procedures or regulations that are relevant to the Company's business.
6. The Audit Committee considered and approved the annual internal audit plan that was in line with the Company's goals and risks. Moreover, the Audit Committee considered and approved the scope of work, duties and responsibilities, sufficiency of manpower, and knowledge and capabilities of personnel to ensure efficiency and effectiveness of audit work according to the set work plan.

The Audit Committee had an opinion that the internal auditing system of the Company was independently carried out. There was sufficient manpower and employee training and development that enabled them to efficiently and effectively work in accordance with international standards.

7. The Board of Directors and the Management are determined to properly manage the Company in compliance with the principles of good corporate governance; relevant laws, rules and regulations; and the Company's Code of Ethics in order to create confidence for shareholders and stakeholders.

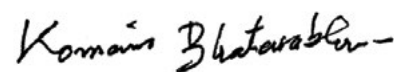
From the case that the Office of the Securities and Exchange Commission fined the directors who are the executives of the Company, the Audit Committee held a meeting in which 2 independent directors also attended. The Audit Committee completely and carefully examined all information and evidence as well as related factors in its consideration. The meeting had unanimous decision that all 3 persons should continue to perform their duties as it is beneficial to the Company and shareholders. In addition, it was recommended that the Board of Directors should implement additional measures to ensure that similar cases do not occur again. To ensure that the Company operates according to good corporate governance standards, a Corporate Governance Committee should also be established to support the current governance system to be more circumspect and comprehensive. Moreover, independent external corporate governance experts, legal advisors and audit advisors should be appointed to review weaknesses of the corporate governance structure and procedures as well as provide observations and advice for improvement. In addition, regular training with comprehensive content should be organized for the Company's directors, executives and those who might have access to undisclosed information to be aware of the importance of good governance and act according to the regulations of the Stock Exchange of Thailand.

8. The Audit Committee reviewed the selection of the Auditors and expressed their opinion to the Board of Directors for further endorsement at the shareholders' meeting. It was approved at the shareholders' meeting the appointment of Mr. Charoen Phosamritlert, or Mr. Veerachai Ratanajaratkul, or Ms. Munchupa Singsuksawat of KPMG Phoomchai Audit Ltd. as the Company's external auditors for the year 2016 with the total fees of Baht 5,148,000.

In summary, the Audit Committee had an opinion that the Company's Board of Directors, the Executive Directors as well as the Management had good ethic and were determined to work in achieving the goals with professional quality. They have given the priority in working efficiently and effectively with transparency and accountability. The risk management and internal control systems were appropriate and circumspective.

January 20th, 2016

On behalf of the Audit Committee



(Prof. Dr. Komain Bhatrabhirom)
Chairman of the Audit Committee

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTS

The Board of Directors of CP All Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2015, which are prepared according to 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 and 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 Company's overall internal control system is able to create credibility and reliability for the financial statements of CP All Public Company Limited and its subsidiaries for the period ended December 31, 2015.



(Mr. Dhanin Chearavanont)
Chairman



(Mr. Korsak Chairasmisak)
Chairman of Executive Committee

ANNUAL FINANCIAL STATEMENTS
AND AUDITOR REPORT
OF CERTIFIED PUBLIC ACCOUNTANT

for the year ended 31 December 2015

Independent Auditor's Report

To the Shareholders of CP ALL Public Company Limited

I have audited the accompanying 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 2015, the consolidated and separate statements of income, 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.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Group's adoption from 1 January 2015 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustments described in note 3 to the financial statements.



(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
29 February 2016

CP ALL Public Company Limited and its Subsidiaries Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	6	21,518,251,584	32,204,375,266	15,329,709,033	24,864,029,536
Current investments	7	1,402,447,572	1,232,027,252	-	-
Trade accounts receivable	5, 8	854,058,581	910,175,819	127,466,889	122,046,848
Other accounts receivable	5, 9	2,034,188,140	1,807,624,358	2,193,374,733	2,008,534,458
Short-term loans to subsidiary	5	-	-	2,900,000,000	-
Inventories	5, 10	25,072,218,354	22,167,148,169	10,621,745,573	10,242,335,111
Other current assets	5, 11	6,091,748,606	6,362,797,736	4,278,345,517	4,215,346,398
Total current assets		56,972,912,837	64,684,148,600	35,450,641,745	41,452,292,351
Non-current assets					
Investments in subsidiaries	12	-	-	202,599,631,465	202,237,831,465
Investment in related company	5	24,000,000	24,000,000	24,000,000	24,000,000
Other long-term investments	7	411,582	100,411,582	-	100,000,000
Investment properties		333,200,009	333,200,009	-	-
Property, plant and equipment	5, 14	89,447,351,068	80,201,060,850	22,440,953,899	20,035,595,027
Goodwill	15	126,072,806,116	126,072,806,116	-	-
Leasehold rights		3,283,692,607	2,650,672,332	400,846,569	395,298,832
Other intangible assets	5, 16	50,156,747,998	49,665,430,652	870,556,090	709,706,380
Deferred tax assets	17	731,394,778	662,235,733	346,343,115	280,788,487
Other non-current assets	5, 18	2,060,421,401	2,016,079,472	2,487,030,701	1,948,094,217
Total non-current assets		272,110,025,559	261,725,896,746	229,169,361,839	225,731,314,408
Total assets		329,082,938,396	326,410,045,346	264,620,003,584	267,183,606,759

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term borrowings from					
financial institutions	19	11,881,373,163	14,726,390,374	9,000,000,000	11,000,000,000
Trade accounts payable	5, 20	62,623,567,182	59,311,725,850	32,807,381,296	31,215,968,596
Other accounts payable	5, 21	3,643,052,918	3,518,817,433	8,768,755,865	8,156,611,198
Current portion of debentures	19	11,841,200,000	-	11,841,200,000	-
Current portion of long-term					
borrowings from financial					
institutions	19	-	4,914,000,000	-	4,914,000,000
Current portion of finance lease					
liabilities	19	80,187,197	60,800,249	-	-
Income tax payable		1,131,906,696	793,053,475	388,372,812	1,438,738
Other current liabilities	22	9,929,748,905	8,690,013,447	6,508,416,244	5,574,027,246
Total current liabilities		101,131,036,061	92,014,800,828	69,314,126,217	60,862,045,778
Non-current liabilities					
Debentures	19	161,158,800,000	140,000,000,000	161,158,800,000	140,000,000,000
Long-term borrowings from					
financial institutions	19	4,000,000,000	38,301,130,600	-	36,301,130,600
Finance lease liabilities	19	524,822,451	477,979,201	-	-
Employee benefit obligations	23	2,099,493,173	1,709,914,329	1,149,589,674	926,627,894
Accrued guarantee deposits	24	3,063,985,814	3,270,768,879	2,960,827,295	3,153,744,359
Deferred tax liabilities	17	15,229,399,734	15,304,180,789	-	-
Other non-current liabilities		199,663,667	273,430,198	-	-
Total non-current liabilities		186,276,164,839	199,337,403,996	165,269,216,969	180,381,502,853
Total liabilities		287,407,200,900	291,352,204,824	234,583,343,186	241,243,548,631

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Equity					
Share capital	25				
Authorised share capital		8,986,296,048	8,986,296,048	8,986,296,048	8,986,296,048
Issued and paid-up share capital		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	25				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Retained earnings					
Appropriated					
Legal reserve	26	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		26,894,168,922	20,532,100,190	18,469,242,171	14,372,639,901
Other components of equity		(1,112,145,691)	(1,317,311,940)	-	-
Equity attributable to equity					
holders of the Company		37,349,441,458	30,782,206,477	30,036,660,398	25,940,058,128
Non-controlling interests	13	4,326,296,038	4,275,634,045	-	-
Total equity		41,675,737,496	35,057,840,522	30,036,660,398	25,940,058,128
Total liabilities and equity		329,082,938,396	326,410,045,346	264,620,003,584	267,183,606,759

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries

Statement of income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2015	2014	2015	2014
			(Restated)		(Restated)
		(in Baht)			
Income	5				
Revenue from sale of goods and rendering of services		391,817,323,260	357,766,357,733	231,149,386,478	210,775,640,576
Interest income		204,527,242	237,823,860	147,067,681	193,471,289
Dividend income		136,044	107,456	4,475,214,257	4,540,678,761
Net foreign exchange gain		-	376,979,981	-	437,246,917
Other income	28	13,871,252,023	12,919,806,802	13,986,544,946	13,048,909,577
Total Income		405,893,238,569	371,301,075,832	249,758,213,362	228,995,947,120
Expenses	5				
Cost of sale of goods and rendering of services	10	306,518,667,368	281,443,425,134	166,485,322,136	152,393,558,467
Selling expenses	10, 29	62,009,191,729	56,163,247,889	52,536,963,820	48,139,454,752
Administrative expenses	30	11,891,974,440	12,586,919,120	9,721,698,214	10,746,207,577
Net foreign exchange loss		4,181,102	-	1,249,185	-
Finance costs	33	8,585,503,362	8,518,494,735	8,336,387,465	8,355,306,998
Total expenses		389,009,518,001	358,712,086,878	237,081,620,820	219,634,527,794
Profit before income tax expense		16,883,720,568	12,588,988,954	12,676,592,542	9,361,419,326
Income tax expense	34	3,066,214,365	2,269,578,854	1,300,456,502	675,758,496
Profit for the year		13,817,506,203	10,319,410,100	11,376,136,040	8,685,660,830
Profit attributable to:					
Equity holders of the Company		13,682,459,324	10,199,951,410	11,376,136,040	8,685,660,830
Non-controlling interests	13	135,046,879	119,458,690	-	-
Profit for the year		13,817,506,203	10,319,410,100	11,376,136,040	8,685,660,830
Basic earnings per share	36	1.52	1.14	1.27	0.97

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2015	2014	2015	2014
		(Restated)		(Restated)
	(in Baht)			
Profit for the year	13,817,506,203	10,319,410,100	11,376,136,040	8,685,660,830
Other comprehensive income				
<i>Items that will never be reclassified to profit or loss</i>				
Defined benefit plan actuarial losses	3, 23	(168,883,812)	(59,061,383)	(116,315,864)
Income tax income of other comprehensive income on actuarial losses	17, 34	(34,059,489)	(11,987,217)	(23,263,173)
		<u>(134,824,323)</u>	<u>(47,074,166)</u>	<u>(93,052,691)</u>
<i>Item that is or may be reclassified to profit or loss</i>				
Currency translation differences from foreign operations		205,217,136	(33,633,781)	-
		<u>205,217,136</u>	<u>(33,633,781)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax income		70,392,813	(80,707,947)	(93,052,691)
Total comprehensive income for the year		13,887,899,016	10,238,702,153	11,283,083,349
Total comprehensive income attributable to:				
Equity holders of the Company		13,753,716,060	10,120,125,330	11,283,083,349
Non-controlling interests		134,182,956	118,576,823	-
Total comprehensive income for the year		13,887,899,016	10,238,702,153	11,283,083,349

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of changes in equity

Note	Consolidated financial statements							Total equity		
	Retained earnings		Other components of equity							
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences from foreign operations	Differences on acquisition of non-controlling interests	Total other components of equity		Equity attributable to equity holders of the Company	Non-controlling interests
	8,983,101,348	1,684,316,879	900,000,000	20,532,100,190	(174,726,315)	(1,142,585,625)	(1,317,311,940)	30,782,206,477	4,275,634,045	35,057,840,522
37	-	-	-	(7,186,481,079)	-	-	-	(7,186,481,079)	(83,520,963)	(7,270,002,042)
	-	-	-	(7,186,481,079)	-	-	-	(7,186,481,079)	(83,520,963)	(7,270,002,042)
	-	-	-	13,682,459,324	-	-	-	13,682,459,324	135,046,879	13,817,506,203
	-	-	-	(133,909,513)	205,166,249	-	-	71,256,736	(863,923)	70,392,813
	-	-	-	13,548,549,811	205,166,249	-	-	205,166,249	134,182,956	13,887,899,016
	8,983,101,348	1,684,316,879	900,000,000	26,894,168,922	30,439,934	(1,142,585,625)	(1,112,145,691)	37,349,441,458	4,326,296,038	41,675,737,496

For the year ended 31 December 2015

Balance at 1 January 2015

Transactions with equity holders,

recorded directly in equity

Distributions to equity holders

Dividends

Total transactions with equity holders,

recorded directly in equity

Comprehensive income for the year

Profit

Other comprehensive income

Total comprehensive income for the year

Balance at 31 December 2015

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of changes in equity

Note	Consolidated financial statements (Restated)							Total equity		
	Retained earnings			Other components of equity						
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences from foreign operations	Differences on acquisition of non-controlling interests	Total other components of equity		Equity attributable to equity holders of the Company	Non-controlling interests
	8,983,101,348	1,684,316,879	900,000,000	18,463,123,288	(141,083,530)	(1,142,585,625)	(1,283,669,155)	28,746,872,360	4,223,267,018	32,970,139,378
37	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	30	(8,151,001,039)
	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(66,209,796)	(8,151,001,009)
	-	-	-	10,199,951,410	-	-	-	10,199,951,410	119,458,690	10,319,410,100
	-	-	-	(46,183,295)	(33,642,785)	-	(33,642,785)	(79,826,080)	(881,867)	(80,707,947)
	-	-	-	10,153,768,115	(33,642,785)	-	(33,642,785)	10,120,125,330	118,576,823	10,238,702,153
	8,983,101,348	1,684,316,879	900,000,000	20,532,100,190	(174,726,315)	(1,142,585,625)	(1,317,311,940)	30,782,206,477	4,275,634,045	35,057,840,522

For the year ended 31 December 2014

Balance at 1 January 2014

Transactions with equity holders, recorded directly in equity

Distributions to equity holders

Issue of ordinary shares

Dividends

Total transactions with equity holders, recorded directly in equity

Comprehensive income for the year

Profit

Other comprehensive income

Total comprehensive income for the year

Balance at 31 December 2014

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve (in Baht)	Unappropriated retained earnings		
For the year ended 31 December 2015						
Balance at 1 January 2015	8,983,101,348	1,684,316,879	900,000,000	14,372,639,901		25,940,058,128
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>	-	-	-	(7,186,481,079)		(7,186,481,079)
Dividends						
Total transactions with equity holders, recorded directly in equity	-	-	-	(7,186,481,079)		(7,186,481,079)
Comprehensive income for the year						
Profit	-	-	-	11,376,136,040		11,376,136,040
Other comprehensive income	-	-	-	(93,052,691)		(93,052,691)
Total comprehensive income for the year	-	-	-	11,283,083,349		11,283,083,349
Balance at 31 December 2015	8,983,101,348	1,684,316,879	900,000,000	18,469,242,171		30,036,660,398

For the year ended 31 December 2015

Balance at 1 January 2015

Transactions with equity holders, recorded directly in equity
Distributions to equity holders

Dividends

Total transactions with equity holders, recorded directly in equity

Comprehensive income for the year

Profit

Other comprehensive income

Total comprehensive income for the year

Balance at 31 December 2015

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of changes in equity

	Separate financial statements (Restated)				Total equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Unappropriated retained earnings	
Note			Legal reserve (in Baht)		
For the year ended 31 December 2014					
Balance at 1 January 2014	8,983,101,348	1,684,316,879	900,000,000	13,779,741,574	25,347,159,801
Transactions with equity holders, recorded directly in equity					
<i>Distributions to equity holders</i>	-	-	-	(8,084,791,213)	(8,084,791,213)
Dividends					
37					
Total transactions with equity holders, recorded directly in equity	-	-	-	(8,084,791,213)	(8,084,791,213)
Comprehensive income for the year					
Profit	-	-	-	8,685,660,830	8,685,660,830
Other comprehensive income	-	-	-	(7,971,290)	(7,971,290)
Total comprehensive income for the year	-	-	-	8,677,689,540	8,677,689,540
Balance at 31 December 2014	8,983,101,348	1,684,316,879	900,000,000	14,372,639,901	25,940,058,128

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2015	2014	2015	2014
			(Restated)		(Restated)
		<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the year		13,817,506,203	10,319,410,100	11,376,136,040	8,685,660,830
<i>Adjustments for</i>					
Depreciation	14, 32	6,693,940,672	5,718,366,895	4,164,761,000	3,757,281,291
Amortisation of leasehold rights	32	242,926,202	213,283,433	107,648,525	103,408,959
Amortisation of other intangible assets	16, 32	420,629,456	378,119,084	143,865,215	122,463,138
Interest income		(204,527,242)	(237,823,860)	(147,067,681)	(193,471,289)
Dividend income		(136,044)	(107,456)	(4,475,214,257)	(4,540,678,761)
Finance costs	33	8,585,503,362	8,518,494,735	8,336,387,465	8,355,306,998
Income tax expense	34	3,066,214,365	2,269,578,854	1,300,456,502	675,758,496
Provision for employees' severance pay	23	264,185,333	236,678,164	128,389,276	118,931,128
Allowance for losses on slow-moving inventories		126,767,275	126,707,750	105,110,663	28,180,509
Reversal of impairment for losses on property, plant and equipment	14	(3,840,000)	(14,355,133)	-	-
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)		(5,042,622)	1,189,842	(30,000)	3,030,387
Unrealised (gain) loss on exchange		(1,410,572)	607,517	-	(384,248)
Loss on disposal and write-off of property, plant and equipment		46,182,595	63,293,122	27,416,032	229,278
Gain on disposal of leasehold rights		(4,628,449)	(10,433,479)	(4,628,449)	(10,433,479)
		<u>33,044,270,534</u>	<u>27,583,009,568</u>	<u>21,063,230,331</u>	<u>17,105,283,237</u>

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of cash flows (Continued)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2015	2014	2015	2014
			(Restated)		(Restated)
		<i>(in Baht)</i>			
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		62,953,913	(59,765,347)	(5,420,041)	(2,603,001)
Other accounts receivable		(224,916,738)	(234,371,841)	(173,592,467)	(38,020,669)
Inventories		(3,030,043,631)	(2,377,813,583)	(484,521,125)	(1,051,147,189)
Other current assets		220,515,714	(387,671,849)	(64,528,078)	(180,037,099)
Other non-current assets		(22,154,238)	(559,115,918)	(538,936,484)	(150,460,878)
Trade accounts payable		3,308,483,463	4,577,540,996	1,591,412,700	3,597,819,373
Other accounts payable		237,914,993	62,706,163	527,187,063	(1,979,592,591)
Other current liabilities		919,379,207	235,851,805	677,686,370	6,785,900
Employee benefit obligations paid	23	(43,490,301)	(71,576,781)	(17,073,260)	(20,829,290)
Transferred out of employee benefit obligations	23	-	-	(4,670,100)	-
Accrued guarantee deposits		(206,783,065)	96,436,481	(192,917,064)	95,791,826
Other non-current liabilities		(19,477,142)	(2,729,225)	-	-
Cash generated from operating activities		34,246,652,709	28,862,500,469	22,377,857,845	17,382,989,619
Income tax paid		(2,827,774,017)	(2,491,923,200)	(955,799,363)	(899,135,330)
Net cash provided by operating activities		31,418,878,692	26,370,577,269	21,422,058,482	16,483,854,289
<i>Cash flows from investing activities</i>					
Interest received		207,701,416	241,955,111	138,318,288	200,833,573
Dividends received		136,044	107,456	4,475,214,257	4,540,678,761
Purchase of current investments	7	(3,024,000,000)	(2,480,000,000)	-	-
Sale of current investments	7	2,855,712,331	2,297,790,787	-	-
Cash outflow on short-term loans to subsidiary	5	-	-	(3,870,000,000)	-
Cash inflow on short-term loans to subsidiary	5	-	-	970,000,000	-
Cash outflow on investment in subsidiaries	12	-	-	(361,800,000)	(29,999,970)
Cash inflow from non-controlling interests		-	30	-	-
Cash inflow from sale of other long-term investments	7	100,000,000	700,000	100,000,000	700,000

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries Statement of cash flows (Continued)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December	31 December	31 December	31 December
Note	2015	2014	2015	2014
		(Restated)		(Restated)
	<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents	(10,770,043,065)	7,582,740,016	(9,534,320,503)	9,221,331,196
Cash and cash equivalents at 1 January	32,204,375,266	24,632,252,846	24,864,029,536	15,642,314,092
Effect of exchange rate changes on balances held in foreign currencies	83,919,383	(10,617,596)	-	384,248
Cash and cash equivalents at 31 December	6 <u>21,518,251,584</u>	<u>32,204,375,266</u>	<u>15,329,709,033</u>	<u>24,864,029,536</u>

The accompanying notes are an integral part of these financial statements.

CP ALL Public Company Limited and its Subsidiaries

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CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 29 February 2016.

1 General information

CP ALL Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 283 Silom Road, Kwang Silom, Khet Bangrak, Bangkok 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand on 14 October 2003.

The ultimate parent company of the Company and its subsidiaries (together referred to as the “Group”) during the financial year was Charoen Pokphand Group Company Limited which incorporated in Thailand.

The principal businesses of the Group are operating convenience stores, cash and carry, payment centers and the related supporting services.

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 31 December 2015 was 8,832 stores (2014: 8,127 stores).

	2015	2014
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,908	3,570
The Company franchises the license to other retailers under management agreements	4,257	3,916
The Company franchises the license to other retailers under sub-license agreements	667	641
Total	<u>8,832</u>	<u>8,127</u>

Details of the Company’s subsidiaries as at 31 December 2015 and 2014 are given in note 12 to the financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. The effects of these changes are disclosed in note 3 to the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 43 to the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in these accounting policies.

(c) Functional and presentation currency

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

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes to the financial statements:

Notes 4 (j) and (k)	Property, plant and equipment and intangible assets
Note 4 (m)	Impairment
Note 4 (u)	Current and deferred taxation
Note 23	Measurement of employee benefit obligations
Note 38	Valuation of financial instruments

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer (CFO).

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (see note 38 to the financial statements).

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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

Further information about the assumptions made in measuring fair values is disclosed in note 38 to the financial statements.

3 Changes in accounting policy

(a) Overview

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2 to the financial statements, the Group has adopted the revised TFRS having an effect on the Group's financial statements that is TAS 19 (revised 2014) *Employee Benefits*. Details of the changes in accounting policy consequent to the adoption of this revised TFRS is included in note 3(b) to 3(c) to the financial statements.

The other issued and revised TFRS did not have any impact on the accounting policies, financial position and performance of the Group.

(b) Defined benefit plans

As a result of TAS 19 (revised 2014), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit and actuarial gains and losses recognition.

TAS 19 (revised 2014) requires actuarial gains and losses to be recognised in other comprehensive income, and no longer permits recognition in profit or loss. The Group has accordingly changed its accounting policy in this regard with retrospective effect. Further details of the effect of the change are set out in note 3(c) to the financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(c) Summary of quantitative impact

The following tables summarise the material impacts resulting from the above changes in accounting policies on the Group's statements of income and comprehensive income were as follows:

	Consolidated financial statements			Separate financial statements		
	As previously reported	Increase (decrease)	Restated	As previously reported	Increase (decrease)	Restated
<i>(in million Baht)</i>						
For the year ended 31 December 2014						
Statement of income						
Administrative expenses	12,646	(59)	12,587	10,756	(10)	10,746
Income tax expense	2,258	12	2,270	674	2	676
Profit for the year	10,272	47	10,319	8,678	8	8,686
Profit attributable to:						
Equity holders of the Company	10,153	47	10,200	8,678	8	8,686
Non-controlling interests	119	-	119	-	-	-
For the year ended 31 December 2014						
Statement of comprehensive income						
Defined benefit plan actuarial losses	-	59	59	-	10	10
Income tax income of other comprehensive income	-	12	12	-	2	2
Other comprehensive income for the year	(34)	(47)	(81)	-	(8)	(8)

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>For the year ended 31 December 2015</i>		
Decrease in administrative expenses	(169)	(116)
Increase in income tax expense	34	23
Increase in profit for the year	(135)	(93)
Increase in defined benefit plan actuarial losses	169	116
Increase in income tax income of other comprehensive income	(34)	(23)
Decrease in other comprehensive income for the year	135	93
Impact on total comprehensive income for the year	-	-

4 Significant accounting policies

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

(a) Basis of consolidation

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

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred is measured as the fair values of the assets transferred, liabilities incurred by the Group to the previous equity holders of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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

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

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.

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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

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

Foreign operations

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

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

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the currency translation differences reserve in equity until disposed of the investments, except to extent that the translation difference is allocated to non-controlling interest.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

When a foreign operation 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 operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation 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 operation and are recognised in other comprehensive income, and presented in the currency translation differences in equity until disposal of the investment.

(c) *Derivative financial instruments*

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

(d) *Hedging*

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates and the forward premium/discount is recorded as income/expense on a straight-line basis over the forward contract period.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(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. Overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Raw materials, work in progress and finished goods

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

Cost is calculated using the weighted average cost principal and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, less purchase discount as specified in the contractual agreements. In the case of manufactured finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

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

From 1 January 2015, A local subsidiary has changed the accounting policy for inventories valuation from the first in first out to the weighted average cost principle. The change has no material impact on financial statements for the year ended 31 December 2014.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(h) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held-for-trading are classified as current assets and are stated at fair value with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments and stated at amortised cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Disposal of investments

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

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

(i) *Investment properties*

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

Investment properties are stated at cost less accumulated impairment losses.

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

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets of the Group

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

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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 net within other income in profit or loss.

Leased assets

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

Subsequent costs

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

Depreciation

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

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

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

Buildings and improvements	3 - 50 years
Leasehold improvements	over the lease period
Machinery and equipment	3 - 10 years
Furniture, fixtures and office equipment	2 - 10 years
Others	
- Electricity and water systems	5 - 20 years
- Vehicles	5 years
- Library book	5 years

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

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

(k) *Intangible assets*

Goodwill

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

Other intangible assets

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

Other intangible assets that are acquired by the Group and have indefinite useful lives i.e. intellectual property, business license, etc. are measured at cost less accumulated impairment losses.

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Subsequent expenditure

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

Amortisation

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

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

Computer software	2 - 10 years
Intellectual property and business license	indefinite useful lives
Customer base and other	7 and 10 years

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

(l) *Leasehold rights*

Leasehold rights, acquired by the Group, have finite useful lives and are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is recognised in the profit or loss. The Company amortises the cost of leasehold rights on a straight line basis over the periods of the lease agreements between 10 to 31 years.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(m) Impairment

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

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

(n) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(p) *Employee benefits*

Post-employment benefit - defined contribution plans

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

Post-employment benefit - defined benefit plans

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

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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

Other long-term employee benefits

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

Termination benefits

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

Short-term employee benefits

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(q) Provisions

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

(r) Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. The Group will not recognise revenue if there is continuing control or management involvement with the goods sold or there are significant uncertainties regarding the measurement of consideration due and associated costs, or the probable return of goods. Service income is recognised as services are provided.

Initial fees, royalties and exclusivity fees

The Company recognises the initial fee obtained under the Management Agreements of the 7-Eleven convenience stores upon completion of the required services for the franchisees.

The Company recognises the royalty fee arising from the license for operating its 7-Eleven convenience stores over the period of the Management Agreements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The Company has agreements with the merchandise suppliers to purchase their products to distribute in the 7-Eleven convenience stores. Under the terms of the agreements, the Company is entitled to charge exclusivity fees for the goods as specified in the agreements. In case of violation or cancellation of the agreements by the Company without reasonable cause, the suppliers have rights to a refund of such exclusivity fees according to the valuation of remaining period. But in case of cancellation of the agreements by the merchandise suppliers, such exclusivity fees are non-refundable. The Company recognises the exclusivity fees as income over the periods of agreements.

Customer loyalty programmes

The Group has customer loyalty programmes whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products or gift, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

Other income

Other operating income and interest income are recognised in profit or loss on an accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

(s) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration and impairment losses recognised on financial assets (other than trade receivables).

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

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

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

(u) Income tax

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

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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

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

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

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

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

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

(v) *Earnings per share*

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

(w) *Segment reporting*

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

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the other party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the other party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 12 to the financial statements. Relationship with key management and other related parties were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited	Thailand	Ultimate parent company of the group and 1 common director
True Corporation Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 4 common directors
Charoen Pokphand Foods Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
True Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Name of parties	Country of incorporation/ nationality	Nature of relationships
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CP-Meiji Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Consumer Products Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Merchandising Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Digital Content and Media Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Lifestyle Retail Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Universal Convergence Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Internet Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Freewill Solutions Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Leasing Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Land Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of parties	Country of incorporation/ nationality	Nature of relationships
BFKT (Thailand) Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Real Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
SM True Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Food Store Co., Ltd.	Thailand	1 of the Company's director is a major shareholder
Dees Supreme Co., Ltd.	Thailand	1 of the Company's director is a major shareholder
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions	Pricing policies
Sale of goods	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Service and other operating income	Contract prices determined by the terms and conditions used in the normal course of business
Interest income	Financial costs plus administrative expenses
Dividend income	Right to receive dividends
Purchase of goods and services	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rental and service fees	Rates advised by the lessors and service providers
Technical service fees	Contract prices determined by the terms and conditions used in the normal course of business
Insurance premiums	Standard rates as specified by the insurers
Interest expense	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment/ leasehold rights/ other intangible assets	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	9	9	9	9
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	571	567
Interest income	-	-	44	72
Dividend income	-	-	4,475	4,541
Other income	-	-	1,172	1,170
Selling expenses	-	-	1,244	1,018
Administrative expenses	-	-	1,956	1,670
Purchases of goods and services	-	-	15,608	13,316
Purchases of property, plant and equipment and other intangible assets	-	-	1,761	1,505
Interest expense	-	-	-	5
Other related companies				
Revenue from sale of goods and rendering of services	1,560	1,750	720	701
Other income	806	665	786	645
Selling expenses	36	20	-	-
Administrative expenses	460	494	330	383
Purchases of goods and services	28,004	26,256	23,318	22,934
Purchases of property, plant and equipment, leasehold rights and other intangible assets	28	75	3	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	592	582	393	383
Severance pay for employees	31	14	10	6
Total key management benefit expenses	623	596	403	389

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Balances as at 31 December 2015 and 2014 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Related companies	75	130	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
Net	73	128	-	-
Bad and doubtful debts expenses for the year	-	-	-	-

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Subsidiaries	-	-	374	334
Other related companies	340	219	324	215
Net	340	219	698	549
Bad and doubtful debts expenses for the year	-	-	-	-

Short-term loans to subsidiary

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
CPRAM Co., Ltd.	-	-	2,900	-
Total	-	-	2,900	-

The short-term loans to a subsidiary of the Company as at 31 December 2015 were denominated entirely in Thai Baht.

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	-	-	3,870	-
Decreases	-	-	(970)	-
At 31 December	-	-	2,900	-

As at 31 December 2015 the outstanding balance of short-term loans to a subsidiary was unsecured and at call; and the interest rate was fixed at 4.75% per annum.

Investment in related company

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
True GS Co., Ltd.	24	24	24	24
Total	24	24	24	24

All investment in related company of the Company as at 31 December 2015 and 2014 was dominated entirely in Thai Baht.

Prepaid rental and service fees

Subsidiary	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	194	224
Total	-	-	224	254

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

During the year 2008 the Company prepaid the rental and service fees under the terms of lease and service agreements with a local subsidiary (Panyapiwat Institute of Management) for the lease of its building spaces for field consultant conferences, trade shows, franchisee conferences and other activities for a period of 15 years, totaling Baht 450 million. The Company amortises the prepaid rental and service fees as an expense according to the terms of the agreements (15 years).

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Subsidiaries	-	-	1,440	1,115
Other related companies	5,593	5,561	4,159	4,431
Net	5,593	5,561	5,599	5,546

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Subsidiaries	-	-	7,409	6,956
Other related companies	69	51	18	18
Net	69	51	7,427	6,974

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Within one year	131	113	104	107
After one year but within five years	101	136	-	105
After five years	180	187	-	-
Total	412	436	104	212

The Group has lease agreements covering lease of buildings, vehicles and other assets for periods of 3 to 25 years, which will expire between 2016 to 2039.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant agreements with related parties

As at 31 December 2015 the Group had the following significant agreements with related parties.

- (a) The Company has a service agreement with Charoen Pokphand Group Company Limited, the ultimate parent company, covering technical advisory, management, technical assistances and right to use the trademark and services of the ultimate parent company for a period of 1 year ending in December 2016. In consideration thereof, the Company agreed to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.
- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.
- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 3 years ending in December 2017. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

- (f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2017. In consideration thereof, the subsidiary agreed to pay an annual service fee to the Company at the amount stipulated in the agreement.
- (g) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 9.2 million, and placed guarantee deposits with the related company totaling Baht 27.5 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 February 2018.
- (h) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. (“the service provider”), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2016. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Siam Makro Public Company Limited, a local subsidiary. Under the terms of the agreement, the Company agrees to grant:
 - (1) the right to use certain trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee calculated as a percentage of its sales to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.
 - (2) the rights to use software under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay fees to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

- (j) A local subsidiary, Siam Makro Public Company Limited, has lease and service agreements with CP Retailink Co., Ltd, a local subsidiary (“the party”). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until December 2018.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Cash on hand	8,581	8,089	7,087	6,502
Cash at financial institutions				
- current accounts	2,489	3,752	2,275	3,552
Cash at financial institutions				
- savings accounts	9,249	19,889	5,968	14,810
Highly liquid short-term investments	1,199	474	-	-
Total	21,518	32,204	15,330	24,864

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<i>Current investments</i>				
Cash at financial institutions				
- time deposits	22	32	-	-
Promissory notes	1,380	1,200	-	-
Total	1,402	1,232	-	-
<i>Other long-term investments</i>				
Unsecured debentures	-	100	-	100
Total	-	100	-	100
Grand total	1,402	1,332	-	100

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Held-to-maturity investments have interest rates ranging from 0.85% to 2.25% per annum (2014: ranging from 2.40% to 4.38% per annum).

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Current investments				
At 1 January	1,232	1,050	-	-
Increases	3,024	2,480	-	-
Decreases	(2,856)	(2,298)	-	-
Currency translation differences from foreign operations	2	-	-	-
At 31 December	1,402	1,232	-	-
Other long-term investments				
At 1 January	100	101	100	101
Decreases	(100)	(1)	(100)	(1)
At 31 December	-	100	-	100

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Related parties	5	75	130	-	-
Other parties		800	807	127	122
Total		875	937	127	122
Less allowance for doubtful accounts		(21)	(27)	-	-
Net		854	910	127	122
Reversal of allowance for doubtful accounts for the year		(6)	(2)	-	-

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Aging analyses for trade accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
Related parties					
Within credit terms		37	97	-	-
Overdue:					
Less than 3 months		37	31	-	-
3 - 6 months		1	1	-	-
6 - 12 months		-	1	-	-
Total		75	130	-	-
Less allowance for doubtful accounts		(2)	(2)	-	-
Net	5	73	128	-	-
Other parties					
Within credit terms		643	633	127	122
Overdue:					
Less than 3 months		133	125	-	-
3 - 6 months		8	21	-	-
6 - 12 months		6	5	-	-
Over 12 months		10	23	-	-
Total		800	807	127	122
Less allowance for doubtful accounts		(19)	(25)	-	-
Net		781	782	127	122
Grand total		854	910	127	122

The normal credit term granted by the Group ranges from 7 days to 90 days.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

9 Other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
Related parties	5	340	219	698	549
Other parties		1,713	1,607	1,504	1,469
Total		2,053	1,826	2,202	2,018
Less allowance for doubtful accounts		(19)	(18)	(9)	(9)
Net		2,034	1,808	2,193	2,009
Bad and doubtful debts expense for the year		1	3	-	3

Aging analyses for other accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
Related parties					
Within credit terms		204	127	545	453
Overdue:					
Less than 3 months		135	88	152	92
3 - 6 months		1	-	1	-
6 - 12 months		-	1	-	1
Over 12 months		-	3	-	3
Total	5	340	219	698	549

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
Other parties					
Within credit terms		1,333	1,190	1,178	1,080
Overdue:					
Less than 3 months		347	393	311	376
3 - 6 months		4	3	1	1
6 - 12 months		7	2	2	1
Over 12 months		22	19	12	11
Total		1,713	1,607	1,504	1,469
Less allowance for doubtful accounts		(19)	(18)	(9)	(9)
Net		1,694	1,589	1,495	1,460
Grand total		2,034	1,808	2,193	2,009

The normal credit term granted by the Group ranges from 7 days to 90 days.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
Finished goods	25,354	22,386	11,078	10,593
Work in progress	97	106	-	-
Raw materials	410	338	-	-
Total	25,861	22,830	11,078	10,593
Less allowance for losses on slow-moving inventories	(789)	(663)	(456)	(351)
Net	25,072	22,167	10,622	10,242

The cost of inventories which is recognised as an expense and presented as part of the accounts “Cost of sale of goods and rendering of services” and “Selling expenses” in the statements of income for the year ended 31 December 2015 amounted to Baht 303,895 million (2014: Baht 279,029 million) and Baht 1,976 million (2014: Baht 1,608 million) in the consolidated financial statements, respectively, and Baht 166,485 million (2014: Baht 152,394 million) and Baht 1,974 million (2014: Baht 1,607 million) in the separate financial statements respectively.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Cash card	2,378	1,601	2,378	1,601
Accrued income	2,357	2,809	1,066	1,303
Prepaid expenses	580	1,005	402	864
Receivable from Revenue Department	451	453	371	371
Other	326	495	61	76
Total	6,092	6,363	4,278	4,215

12 Investments in subsidiaries

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	-	-	202,238	202,208
Increases	-	-	362	30
At 31 December	-	-	202,600	202,238

Details of the additional investments during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Lotus Distribution Investment Limited	-	-	362	-
24 Shopping Co., Ltd.	-	-	-	30
Total	-	-	362	30

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests (%)		Separate financial statements (in million Baht)				Dividend income		
			2015	2014	2015	2014	2015	2014	2015	2014	
Local direct subsidiaries											
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	-	-	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-	-
Counter Service Co., Ltd	Bill payment Services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	70	70	61	61	350	798	798
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	100	140	140
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	20	90	90
All Corporation Limited	Holding company	Thailand	99.99	99.99	13	13	13	13	-	-	-

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Name of parties	Type of business	Country of incorporation	Ownership interests (%)		Paid-up capital		At cost		Dividend income	
			2015	2014	2015	2014	2015	2014	2015	2014
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	10	10
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	35	105
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	110	195
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	57,754	57,754	57,754	1,103	875
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	-	150
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,151	1,151	1,151	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	55,490	55,490	55,490	1,060	840
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	82,427	82,427	82,427	1,687	1,338
Total					198,381	198,381	198,381	198,381	4,475	4,541

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Separate financial statements (Continued)										
Name of parties	Type of business	Country of incorporation	Ownership interests (%)		Paid-up capital (in million United States Dollars)		At cost (in million Baht)		Dividend income	
			2015	2014	2015	2014	2015	2014	2015	2014
Foreign direct subsidiaries										
Lotus Distribution	Holding company	British Virgin Islands	100.00	100.00	126	116	4,219	3,857	-	-
Investment Limited	Holding company	British Virgin Islands	100.00	100.00	-	-	-	-	-	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	-	-	-	-	-	-
Total							4,219	3,857		
Grand total							202,600	202,238	4,475	4,541

* As at 31 December 2015 Albuera International Limited ("Albuera") had paid-up capital amounting to United States Dollar 1 and the Company invested in Albuera amounting to United States Dollar 1.

Additional investments during the year

At the Company's Board of Directors meeting held on 25 November 2015, the Company's Board of Directors approved to increase the authorised share capital of Lotus Distribution Investment Limited from United States Dollars 117 million to United States Dollars 207 million. As at 31 December 2015 the subsidiary collected from the called for paid-up share capital of United States Dollars 10 million; from United States Dollars 116 million to United States Dollars 126 million.

At the Company's Board of Directors meeting held on 7 August 2013, the Company's Board of Directors approved to set up a local direct subsidiary, 24 Shopping Co., Ltd., with the initial authorised share capital of Baht 30 million; and call for a fully paid-up share capital. In this regard, the Company has a 99.99% investment in the subsidiary's paid-up share capital. The subsidiary registered the authorised share capital and the call for a fully paid-up share capital with the Ministry of Commerce on 2 January 2014

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Details of the Company's indirect subsidiaries as at 31 December 2015 and 2014 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests	
			2015	2014
			(%)	
<i>Local indirect subsidiaries</i>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	97.88
Makro ROH Co., Ltd	Providing technical and supporting services to the Group	Thailand	97.88	97.88
ProMart Co., Ltd.	Trading of non-food products	Thailand	97.88	-
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99
<i>Foreign indirect subsidiaries</i>				
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People's Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People's Republic of China	100.00	100.00
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding and educational institution	The People's Republic of China	100.00	100.00
Nanjing Tech University Pujiang Institute	Educational institution	The People's Republic of China	100.00	100.00

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of parties	Type of business	Country of incorporation	Ownership interests	
			2015 (%)	2014
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	97.88	97.88
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	97.88	-

13 Non-controlling interests

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

	31 December 2015				
	Siam Makro Public Company Limited	Thai Smart Card Co., Ltd.	Intra-group eliminations <i>(in million Baht)</i>	Fair value adjustment	Total
Non-controlling interests percentage	2.12	27.36			
Current assets	17,326	2,064			
Non-current assets	30,584	177			
Current liabilities	(28,684)	(939)			
Non-current liabilities	(5,019)	(15)			
Net assets	14,207	1,287			
Carrying amount of non-controlling interests	301	352	(6)	3,679	4,326

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	31 December 2015				
	Siam Makro Public Company Limited	Thai Smart Card Co., Ltd.	Intra-group eliminations <i>(in million Baht)</i>	Fair value adjustment	Total
Revenue	155,917	415			
Profit	5,378	100			
Other comprehensive income	(22)	(1)			
Total comprehensive income	5,356	99			
Profit allocated to non-controlling interests	114	27	-	(6)	135
Other comprehensive income allocated to non-controlling interests	(1)	-	-	-	(1)
Cash flows from operating activities	6,701	234			
Cash flows from investing activities	(6,371)	(176)			
Cash flows from financing activities	(2,581)	-			
Dividends to non-controlling interests	(84)	-			
Net increase (decrease) in cash and cash equivalents	(2,335)	58			

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

	31 December 2014				
	Siam Makro Public Company Limited	Thai Smart Card Co., Ltd.	Intra-group eliminations <i>(in million Baht)</i>	Fair value adjustment	Total
Non-controlling interests					
percentage	2.12	27.36			
Current assets	17,406	1,806			
Non-current assets	26,260	205			
Current liabilities	(27,976)	(811)			
Non-current liabilities	(2,903)	(12)			
Net assets	12,787	1,188			
Carrying amount of non-controlling interests	271	325	(6)	3,686	4,276
Revenue	142,532	369			
Profit	4,922	81			
Other comprehensive income	(37)	-			
Total comprehensive income	4,885	81			
Profit allocated to non-controlling interests	104	22	(1)	(6)	119
Other comprehensive income allocated to non-controlling interests	(1)	-	-	-	(1)

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	31 December 2014				
	Siam Makro Public Company Limited	Thai Smart Card Co., Ltd.	Intra-group eliminations <i>(in million Baht)</i>	Fair value adjustment	Total
Cash flows from operating activities	7,661	204			
Cash flows from investing activities	(6,967)	(152)			
Cash flows from financing activities	(1,074)	-			
Dividends to non-controlling interests	(66)	-			
Net increase (decrease) in cash and cash equivalents	(446)	52			

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

14 Property, plant and equipment

	Consolidated financial statements (in million Baht)						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
Cost							
At 1 January 2014	37,288	26,225	20,088	10,766	4,126	3,737	102,230
Additions	1,677	374	2,812	1,733	8,205	258	15,059
Transfers	72	4,616	1,552	217	(7,170)	713	-
Disposals	(256)	(176)	(555)	(490)	-	(111)	(1,588)
Currency translation differences from foreign operations	-	-	-	-	1	-	1
At 31 December 2014 and 1 January 2015	38,781	31,039	23,897	12,226	5,162	4,597	115,702
Additions	1,345	260	2,531	2,343	9,305	240	16,024
Transfers	19	4,861	2,482	168	(8,242)	712	-
Disposals	-	(119)	(498)	(448)	(14)	(66)	(1,145)
Currency translation differences from foreign operations	-	4	1	4	46	1	56
At 31 December 2015	40,145	36,045	28,413	14,293	6,257	5,484	130,637

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Consolidated financial statements (Continued)						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
			(in million Baht)				
Accumulated depreciation and impairment losses							
At 1 January 2014	-	(9,270)	(12,540)	(6,762)	(2)	(2,383)	(30,957)
Depreciation charge for the year	-	(1,666)	(2,256)	(1,356)	-	(440)	(5,718)
Disposals	-	107	534	425	-	94	1,160
Reversal of impairment losses	-	6	8	-	-	-	14
At 31 December 2014 and 1 January 2015	-	(10,823)	(14,254)	(7,693)	(2)	(2,729)	(35,501)
Depreciation charge for the year	-	(1,924)	(2,734)	(1,558)	-	(478)	(6,694)
Transfers	-	-	(1)	1	-	-	-
Disposals	-	80	479	385	-	58	1,002
Currency translation differences from foreign operations	-	-	-	-	-	(1)	(1)
Reversal of impairment losses	-	-	2	2	-	-	4
At 31 December 2015	-	(12,667)	(16,508)	(8,863)	(2)	(3,150)	(41,190)

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

		Consolidated financial statements (Continued)					
		Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	Total
		<i>(in million Baht)</i>					
<i>Net book value</i>							
	At 1 January 2014	37,288	7,548	4,004	4,124	1,354	71,273
	At 31 December 2014 and 1 January 2015	38,781	9,643	4,533	5,160	1,868	80,201
	At 31 December 2015	40,145	11,905	5,430	6,255	2,334	89,447

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

<i>Cost</i>	Separate financial statements						Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Other	
At 1 January 2014	2,331	11,431	7,778	9,810	1,780	3,292	36,422
Additions	130	36	1,243	1,437	2,770	217	5,833
Transfers	-	2,816	91	78	(3,592)	607	-
Disposals	(255)	(145)	(196)	(417)	-	(82)	(1,095)
At 31 December 2014 and 1 January 2015	2,206	14,138	8,916	10,908	958	4,034	41,160
Additions	395	19	1,487	1,656	2,903	208	6,668
Transfers	19	2,286	128	26	(3,025)	566	-
Disposals	-	(98)	(222)	(363)	-	(44)	(727)
At 31 December 2015	2,620	16,345	10,309	12,227	836	4,764	47,101

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

	Separate financial statements <i>(in million Baht)</i>					Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	
Accumulated depreciation and impairment losses						
At 1 January 2014	-	(4,430)	(5,090)	(6,468)	-	(18,079)
Depreciation charge for the year	-	(1,071)	(1,028)	(1,270)	-	(3,757)
Disposals	-	100	186	356	-	712
At 31 December 2014 and 1 January 2015	-	(5,401)	(5,932)	(7,382)	-	(21,124)
Depreciation charge for the year	-	(1,213)	(1,165)	(1,371)	-	(4,165)
Disposals	-	69	217	304	-	629
At 31 December 2015	-	(6,545)	(6,880)	(8,449)	-	(24,660)
Net book value						
At 1 January 2014	2,331	7,001	2,688	3,342	1,780	18,343
At 31 December 2014 and 1 January 2015	2,206	8,737	2,984	3,526	958	20,036
At 31 December 2015	2,620	9,800	3,429	3,778	836	22,441

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

As at 31 December 2015 the Group had assets under finance leases with a net book value amounted to Baht 564 million (2014: Baht 514 million.)

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2015 amounted to Baht 18,357 million (2014: Baht 15,974 million) in the consolidated financial statements and Baht 11,166 million (2014: Baht 9,729 million) in the separate financial statements respectively.

15 Goodwill

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in million Baht)			
Cost				
At 1 January	126,073	126,073	-	-
At 31 December	126,073	126,073	-	-
Impairment losses				
At 1 January	-	-	-	-
Impairment losses	-	-	-	-
At 31 December	-	-	-	-
Net book value				
At 1 January	126,073	126,073	-	-
At 31 December	126,073	126,073	-	-

Mainly of Goodwill was arising from the Company buy shares of Siam Makro Public Company Limited both directly and indirectly.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Impairment testing for carrying amount of goodwill and other intangible assets within indefinite useful life

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets.

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of 10-year government bond, market risk premium and average industry beta.

Terminal value growth rate

Terminal value growth rate was determined based on average gross domestic product ("GDP") growth rate, inflation rate and historical earnings before income tax, depreciation and amortisation ("EBITDA") growth rate of Siam Makro Public Company Limited.

Budgeted EBITDA

Budgeted EBITDA was based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth level experience over the past five years and estimated number of new stores, sale growth of new stores and sale growth of same stores of Siam Makro Public Company Limited.

Based on the impairment testing, the recoverable amount was estimated to be higher than its carrying amount and no impairment was required to these financial statements.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

16 Other intangible assets

Consolidated financial statements				
	Computer software in use and under development	Intellectual property <i>(in million Baht)</i>	Other	Total
<i>Cost</i>				
At 1 January 2014	2,201	46,072	1,142	49,415
Additions	631	-	1,089	1,720
Disposals	(8)	-	-	(8)
At 31 December 2014 and 1 January 2015	2,824	46,072	2,231	51,127
Additions	865	-	-	865
Currency translation differences from foreign operations	-	-	52	52
Disposals	(5)	-	(1)	(6)
At 31 December 2015	3,684	46,072	2,282	52,038
<i>Accumulated amortisation</i>				
At 1 January 2014	(1,003)	-	(82)	(1,085)
Amortisation charge for the year	(215)	-	(163)	(378)
Disposals	1	-	-	1
At 31 December 2014 and 1 January 2015	(1,217)	-	(245)	(1,462)
Amortisation charge for the year	(257)	-	(164)	(421)
Disposals	2	-	-	2
At 31 December 2015	(1,472)	-	(409)	(1,881)
<i>Net book value</i>				
At 1 January 2014	1,198	46,072	1,060	48,330
At 31 December 2014 and 1 January 2015	1,607	46,072	1,986	49,665
At 31 December 2015	2,212	46,072	1,873	50,157

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Separate Financial statements
	Computer software in use and under development <i>(in million Baht)</i>
Cost	
At 1 January 2014	1,239
Additions	203
Disposals	(6)
At 31 December 2014 and 1 January 2015	1,436
Additions	305
At 31 December 2015	1,741
Accumulated amortisation	
At 1 January 2014	(605)
Amortisation charge for the year	(122)
Disposals	1
At 31 December 2014 and 1 January 2015	(726)
Amortisation charge for the year	(144)
At 31 December 2015	(870)
Net book value	
At 1 January 2014	634
At 31 December 2014 and 1 January 2015	710
At 31 December 2015	871

The gross amount of the Group's and the Company's fully amortised other intangible assets that were still in use as at 31 December 2015 amounted to Baht 987 million (2014: Baht 894 million) in the consolidated financial statements and Baht 785 million (2014: Baht 691 million) in the separate financial statements respectively.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

17 Deferred income tax

Deferred tax assets and liabilities as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Deferred tax assets	731	662	346	281
Deferred tax liabilities	(15,229)	(15,304)	-	-

Movements in deferred tax assets and liabilities during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements			At 31 December 2015
	At 1 January 2015	(Charged)/ credited to		
		profit or loss <i>(Note 34)</i> <i>(in million Baht)</i>	other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Trade and other accounts receivable	5	-	-	5
Inventories	231	(10)	-	221
Property, plant and equipment	70	(3)	-	67
Employee benefit obligations	314	35	34	383
Fair value adjustment assets acquired through business combinations	(15,304)	75	-	(15,229)
Other	42	13	-	55
Total	(14,642)	110	34	(14,498)

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Consolidated financial statements (Restated)

	At 1 January 2014	(Charged)/ credited to		At 31 December 2014
		profit or loss (Note 34)	other comprehensive income	
		<i>(in million Baht)</i>		
<i>Deferred tax assets (liabilities)</i>				
Trade and other accounts receivable	4	1	-	5
Inventories	156	75	-	231
Property, plant and equipment	68	2	-	70
Other current liabilities	(203)	203	-	-
Employee benefit obligations	281	21	12	314
Tax losses	11	(11)	-	-
Fair value adjustment assets acquired through business combinations	(15,379)	75	-	(15,304)
Other	27	15	-	42
Total	(15,035)	381	12	(14,642)

Separate financial statements

	At 1 January 2015	(Charged)/ credited to		At 31 December 2015
		profit or loss (Note 34)	other comprehensive income	
		<i>(in million Baht)</i>		
<i>Deferred tax assets</i>				
Other accounts receivable	2	-	-	2
Inventories	70	21	-	91
Property, plant and equipment	24	-	-	24
Employee benefit obligations	185	21	23	229
Total	281	42	23	346

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Separate financial statements (Restated)

	At 1 January 2014	(Charged)/ credited to		At 31 December 2014
		profit or loss (Note 34) (in million Baht)	other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Other accounts receivable	1	1	-	2
Inventories	64	6	-	70
Property, plant and equipment	24	-	-	24
Other current liabilities	(202)	202	-	-
Employee benefit obligations	164	19	2	185
Other	4	(4)	-	-
Total	55	224	2	281

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Prepaid rental and service fees	1,288	1,315	1,020	1,050
Guarantee deposit	743	683	1,465	896
Other	29	18	2	2
Total	2,060	2,016	2,487	1,948

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Current				
Short-term borrowings from financial institutions				
Promissory notes and bill of exchanges - unsecured	11,210	14,560	9,000	11,000
Liabilities under trust receipts - unsecured	579	131	-	-
Short-term borrowings - unsecured	92	35	-	-
Total	11,881	14,726	9,000	11,000
Current portion of debentures	11,841	-	11,841	-
Total	11,841	-	11,841	-
Current portion of long-term borrowing from financial institution	-	4,914	-	4,914
Total	-	4,914	-	4,914
Current portion of liabilities under finance leases	80	61	-	-
Total	80	61	-	-
Total current	23,802	19,701	20,841	15,914
Non-current				
Debentures	161,159	140,000	161,159	140,000
Long-term borrowings from financial institutions - secured	-	36,301	-	36,301
Long-term borrowings from financial institutions - unsecured	4,000	2,000	-	-
Liabilities under finance leases	525	478	-	-
Total non-current	165,684	178,779	161,159	176,301
Grand total	189,486	198,480	182,000	192,215

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Within one year	23,722	19,640	20,841	15,914
After one year but within five years	87,668	99,021	83,668	97,021
After five years	77,491	79,280	77,491	79,280
Total	188,881	197,941	182,000	192,215

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	14,726	135,143	11,000	131,977
Decreases	(2,848)	(120,417)	(2,000)	(120,977)
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United States Dollars to Thai Baht	3	-	-	-
At 31 December	11,881	14,726	9,000	11,000

As at 31 December 2015 the Group issued promissory notes and bill of exchanges to local financial institutions denominated in Thai Baht which bear interest rates ranging from 1.65% to 2.51% per annum (2014: ranging from 2.10% to 2.98% per annum) and mature within January 2016 of Baht 10,500 million and mature at call of Baht 710 million.

As at 31 December 2015 the Group had liabilities under trust receipts with local financial institutions which bear interest rates ranging from 2.25% to 2.70% per annum (2014: ranging from 2.80% to 2.85% per annum).

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

As at 31 December 2015 the Group had short-term borrowings from a foreign financial institution denominated in United States Dollars which bear interest rates ranging from 2.60% to 2.98% per annum (2014: 2.70% per annum) and mature within June 2016 and had short-term borrowings from another local financial institution denominated in Thai Baht which bear interest at the rate of 2.75% per annum (2014: nil) and mature within March 2016.

Debentures

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	140,000	50,000	140,000	50,000
Increases	33,000	90,000	33,000	90,000
At 31 December	173,000	140,000	173,000	140,000

Debentures 1/2013

On 31 October 2013 the Company issued Baht 50,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 11,841 million, fully repayable on 31 October 2016 and bearing interest at the fixed rate of 4.10% per annum
- Debentures term of 5 years of Baht 12,247 million, fully repayable on 31 October 2018 and bearing interest at the fixed rate of 4.70% per annum
- Debentures term of 7 years of Baht 10,790 million, fully repayable on 31 October 2020 and bearing interest at the fixed rate of 5.10% per annum
- Debentures term of 10 years of Baht 15,122 million, fully repayable on 31 October 2023 and bearing interest at the fixed rate of 5.35% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 5 October 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Debentures 1/2014

On 27 March 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 3,736 million, fully repayable on 27 March 2017 and bearing interest at the fixed rate of 3.70% per annum
- Debentures term of 5 years of Baht 11,066 million, fully repayable on 27 March 2019 and bearing interest at the fixed rate of 4.30% per annum
- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021 and bearing interest at the fixed rate of 4.85% per annum
- Debentures term of 10 years of Baht 15,314 million, fully repayable on 27 March 2024 and bearing interest at the fixed rate of 5.14% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 5 October 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014.

Debentures 2/2014

On 22 August 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 6,351 million, fully repayable on 22 August 2017 and bearing interest at the fixed rate of 3.71% per annum
- Debentures term of 5 years of Baht 9,478 million, fully repayable on 22 August 2019 and bearing interest at the fixed rate of 4.25% per annum

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- Debentures term of 7 years of Baht 7,520 million, fully repayable on 22 August 2021 and bearing interest at the fixed rate of 4.75% per annum
- Debentures term of 10 years of Baht 16,651 million, fully repayable on 22 August 2024 and bearing interest at the fixed rate of 5.05% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 5 October 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 22 August 2014.

Debentures 3/2014

On 26 December 2014 the Company issued Baht 10,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 6,000 million, fully repayable on 26 December 2017 and bearing interest at the fixed rate of 3.45% per annum
- Debentures term of 12 years of Baht 4,000 million, fully repayable on 26 December 2026 and bearing interest at the fixed rate of 4.80% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 5 October 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 December 2014.

Debentures 1/2015

On 20 March 2015 the Company issued Baht 20,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 2 years of Baht 9,850 million, fully repayable on 20 March 2017 and bearing interest at the fixed rate of 3.55% per annum

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- Debentures term of 5 years of Baht 10,150 million, fully repayable on 20 March 2020 and bearing interest at the fixed rate of 4.10% per annum

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 5 October 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 20 March 2015.

Debentures 2/2015

On 30 June 2015 the Company issued Baht 13,000 million unsecured and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 2,500 million, fully repayable on 30 June 2018 and bearing interest at the fixed rate of 2.98% per annum
- Debentures term of 5 years of Baht 1,500 million, fully repayable on 30 June 2020 and bearing interest at the fixed rate of 3.65% per annum
- Debentures term of 7 years of Baht 3,000 million, fully repayable on 30 June 2022 and bearing interest at the fixed rate of 4.10% per annum
- Debentures term of 10 years of Baht 6,000 million, fully repayable on 30 June 2025 and bearing interest at the fixed rate of 4.45% per annum

These series of debentures have a credit rating of “A(thai)” latest updated by Fitch Ratings (Thailand) Limited on 5 October 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 30 June 2015.

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.

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Siam Makro Public Company Limited shares as at 31 December 2015, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 3,599 million shares. The fair value of those shares totaled Baht 127,769 million.

Long-term borrowings from financial institutions

Movement during the year ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	43,215	-	41,215	-
Increases	2,000	95,347	-	93,347
Decreases	(41,215)	(52,132)	(41,215)	(52,132)
At 31 December	4,000	43,215	-	41,215

As at 31 December 2015 the Group had unsecured long-term borrowing agreements with a local branch of 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 2017
The second agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2017
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in October 2018
The forth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2018

In this regard, the Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio and the shareholdings of the Company in a local subsidiary as stipulated in the agreements, etc.

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Finance lease liabilities

Details of finance leases liabilities as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in million Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	131	(51)	80	107	(46)	61
After one year but within 5 years	441	(130)	311	390	(124)	266
After 5 years	251	(37)	214	256	(44)	212
Total	823	(218)	605	753	(214)	539

As at 31 December 2015 the Group entered into finance lease contract. Under the terms of the contracts, the Group must comply with certain conditions as stipulated in the agreements.

Unutilised credit facilities

As at 31 December 2015 the Group had unutilised credit facilities totaling Baht 957 million (2014: Baht 957 million)

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Related parties	5	5,593	5,561	5,599	5,546
Other parties		57,031	53,751	27,208	25,670
Total		62,624	59,312	32,807	31,216

21 Other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Related parties	5	69	51	7,427	6,974
Other parties		3,574	3,468	1,342	1,183
Total		3,643	3,519	8,769	8,157

22 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Accrued personnel expenses	2,154	1,823	1,275	1,002
Accrued royalties and other accrued expenses	1,398	1,718	590	804
Accrued interest expense	1,820	1,613	1,796	1,590
Deferred royalties income	1,185	1,178	1,185	1,177
Accrued utilities expenses	689	641	473	449
Advance receipts from customers	514	417	-	-
Accrued advertising and sale promotion expenses	490	269	346	159
Accrued rental fees	116	115	113	109
Other	1,564	916	730	284
Total	9,930	8,690	6,508	5,574

CP ALL Public Company Limited and its Subsidiaries

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23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
As at 31 December				
Statement of financial position				
Obligations for:				
Defined benefit plans	2,099	1,710	1,150	927
Total	2,099	1,710	1,150	927

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
	<i>(in million Baht)</i>			
Year ended 31 December				
Statement of income				
Recognised in profit or loss:				
Defined benefit plans	264	237	128	119
Total	264	237	128	119
Statement of comprehensive income				
Recognised in other comprehensive income:				
Defined benefit plan actuarial losses recognised in the year	169	59	116	10
Total	169	59	116	10

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The Group adopted TAS 19 “Employee Benefits” with effect from 1 January 2011. The Group opted to recognise the transitional obligation as at 1 January 2011 through profit or loss on a straight line basis over 5 years from 1 January 2011. Movements during the years on the provision for the unrecognised transitional obligation were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Unrecognised transitional obligation as at 1 January	38	76	14	28
Recognised through profit or loss for the year	(38)	(38)	(14)	(14)
Unrecognised transitional obligation as at 31 December	-	38	-	14

The Group operates a defined benefit plans which have characteristics as follows:

Pension fund benefit

Certain local subsidiaries operate a pension scheme for employees who joined before the 1st of January 2003 and choose to retain the benefits of the original scheme. Employees, upon resignation or retirement after having completed 3 years of service, shall be entitled to receive cash payment equivalent to their prevailing salary multiplied by the number of years of service, but not exceeding the equivalent of 10 months of the final salary.

Severance benefit

Under Thai Labour Protection Act B.E 2541 (1998) and the Group’s employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of the final salary.

Additional benefit related to provident fund

A local subsidiary operates an employee benefit scheme under which employees who are members of the Company’s provident fund, being a defined contribution plan, for at least 9 years are entitled to receive additional contribution from the subsidiary on their resignation or retirement from employment. Employees, who are a member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the subsidiary on their behalf.

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Notes to the financial statements

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk and turnover rate risk.

Movements in the present value of the defined benefit obligations are detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	1,710	1,486	927	819
Included in profit or loss:				
Transitional obligation recognised	38	38	14	14
Current service costs	158	137	76	71
Interest on obligation	68	62	38	34
Included in other comprehensive income:				
Defined benefit plan actuarial losses	169	59	116	10
Other				
Benefits paid by the plan	(44)	(72)	(17)	(21)
Transfer employee benefits obligations to subsidiaries	-	-	(4)	-
Defined benefit obligations at 31 December	2,099	1,710	1,150	927

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Demographic assumptions and financial assumptions	159	31	116	10
Experience adjustments	10	28	-	-
Total	169	59	116	10

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	2.80 - 3.60	3.40 - 4.13	3.57	4.13
Retirement age (year)	55 and 60	55 and 60	55 and 60	55 and 60
Future salary growth	4.0 - 8.0	4.0 - 8.0	6.0 - 8.0	6.0 - 8.0

At 31 December 2015, the weighted-average duration of the defined benefit obligations were 10 to 23 years (2014: 10 to 19 years).

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Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	<i>(in million Baht)</i>			
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(185)	217	(108)	126
Future salary growth (1% movement)	202	(177)	122	(106)
Turnover rate (1% movement)	(178)	183	(111)	125

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

24 Accrued guarantee deposits

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Guarantee deposits payable to franchisees	3,046	2,829	2,961	2,733
Other accrued guarantee deposits	18	442	-	421
Total	3,064	3,271	2,961	3,154

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25 Share capital

	<i>Par value per share (in Baht)</i>	Consolidated financial statements/ Separate financial statements				
		Number of shares	2015		2014	
			Baht	Number of shares	Baht	Number of shares
			(in million)			
Authorised						
At 1 January						
- ordinary shares	1	8,986	8,986	8,986	8,986	
At 31 December						
- ordinary shares	1	8,986	8,986	8,986	8,986	
Issued and paid-up						
At 1 January						
- ordinary shares	1	8,983	8,983	8,983	8,983	
At 31 December						
- ordinary shares	1	8,983	8,983	8,983	8,983	
Share premium						

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

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26 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Legal reserve as at 31 December 2015 and 2014 was higher than 10% of the registered authorised capital.

Other components of equity

Currency translation differences from foreign operations

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

Differences on acquisition of non-controlling interests

Differences on acquisition of non-controlling interests recognised in equity relate to difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid.



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CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

27 Segment information

The Group has 3 reportable segments which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1: Convenience stores
- Segment 2: Cash and carry
- Segment 3: Other

Other operations include bill payment services, frozen food plant and bakery, and distributor of retailing equipment and educational institutions. None of these segments meets the quantitative thresholds for determining reportable segments in 2015 and 2014.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax expense, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before income tax expense is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain relative to other entities that operate within these industries.

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2015 and 2014 were as follows:

	Convenience stores (Restated)		Cash and carry (Restated)		Other (Restated)		Eliminate		Total (Restated)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from sale of goods and rendering of services	231,149	210,776	155,217	141,828	27,709	24,073	(22,258)	(18,911)	391,817	357,766
Interest income	147	193	19	39	84	84	(45)	(78)	205	238
Dividend income	4,475	4,541	-	-	-	-	(4,475)	(4,541)	-	-
Net foreign exchange gain	-	437	-	9	-	(69)	-	-	-	377
Other income	13,987	13,049	678	661	495	505	(1,289)	(1,295)	13,871	12,920
Total revenues	249,758	228,996	155,914	142,537	28,288	24,593	(28,067)	(24,825)	405,893	371,301
Cost of sale of goods and rendering of services	166,485	152,393	137,937	126,771	21,363	18,494	(19,266)	(16,215)	306,519	281,443
Selling expenses	52,537	48,139	9,241	7,871	2,085	1,957	(1,854)	(1,804)	62,009	56,163
Administrative expenses	9,722	10,747	2,073	1,921	2,502	1,949	(2,405)	(2,030)	11,892	12,587
Net foreign exchange loss	1	-	(4)	-	7	-	-	-	4	-
Finance costs	8,336	8,356	237	168	30	11	(18)	(16)	8,585	8,519
Total expenses	237,081	219,635	149,484	136,731	25,987	22,411	(23,543)	(20,065)	389,009	358,712
Profit before income tax expense	12,677	9,361	6,430	5,806	2,301	2,182	(4,524)	(4,760)	16,884	12,589

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Financial position, based on segments, in the consolidated financial statements as at 31 December 2015 and 2014 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in million Baht)</i>									
Cash and cash equivalents	15,330	24,864	2,234	4,568	3,954	2,772	-	-	21,518	32,204
Current investments	-	-	-	-	1,402	1,232	-	-	1,402	1,232
Trade accounts receivable	127	122	394	311	6,648	5,516	(6,315)	(5,039)	854	910
Other accounts receivable	2,193	2,008	96	49	2,863	3,262	(3,118)	(3,511)	2,034	1,808
Short-term loans to subsidiary	2,900	-	-	-	-	-	(2,900)	-	-	-
Inventories	10,622	10,242	12,953	10,628	1,584	1,373	(87)	(76)	25,072	22,167
Investments in subsidiaries	202,600	202,238	-	-	773	773	(203,373)	(203,011)	-	-
Other long-term investments	-	100	-	-	-	-	-	-	-	100
Investment properties	-	-	333	333	-	-	-	-	333	333
Property, plant and equipment	22,441	20,036	55,409	52,183	11,800	8,130	(203)	(148)	89,447	80,201
Goodwill	-	-	125,936	125,936	137	137	-	-	126,073	126,073
Leasehold rights	401	395	2,558	2,118	325	138	-	-	3,284	2,651
Other intangible assets	871	710	47,899	47,647	1,504	1,417	(117)	(108)	50,157	49,666
Deferred tax assets	346	281	267	287	106	84	12	10	731	662
Other assets	6,789	6,188	1,720	1,876	1,274	3,578	(1,605)	(3,239)	8,178	8,403
Total assets	264,620	267,184	249,799	245,936	32,370	28,412	(217,706)	(215,122)	329,083	326,410

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	Convenience stores		Cash and carry		Other (in million Baht)		Eliminate		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Short-term borrowings from financial institutions	9,000	11,000	2,614	3,226	267	500	-	-	11,881	14,726
Trade accounts payable	32,807	31,216	22,164	20,629	9,469	8,890	(1,816)	(1,423)	62,624	59,312
Other accounts payable	8,769	8,157	1,445	1,747	1,128	842	(7,699)	(7,227)	3,643	3,519
Current portion of debentures	11,841	-	-	-	-	-	-	-	11,841	-
Current portion of long-term borrowings from financial institutions	-	4,914	-	-	-	-	-	-	-	4,914
Debentures	161,159	140,000	-	-	-	-	-	-	161,159	140,000
Long-term borrowings from financial institutions	-	36,301	4,000	2,000	-	-	-	-	4,000	38,301
Accrued guarantee deposits	2,961	3,154	-	-	842	336	(739)	(219)	3,064	3,271
Deferred tax liabilities	-	-	15,229	15,304	-	-	-	-	15,229	15,304
Other liabilities	8,046	6,502	3,480	3,277	6,019	5,023	(3,579)	(2,797)	13,966	12,005
Total liabilities	234,583	241,244	48,932	46,183	17,725	15,591	(13,833)	(11,666)	287,407	291,352

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

	Convenience stores		Cash and carry		Other <i>(in million Baht)</i>		Eliminate		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Capital expenditure	7,089	6,167	6,208	7,970	4,820	3,930	(335)	(341)	17,782	17,726
Depreciation	4,165	3,757	1,877	1,494	896	681	(244)	(214)	6,694	5,718
Amortisation - leasehold rights	108	103	132	110	3	-	-	-	243	213
Amortisation - other intangible assets	144	122	235	216	68	62	(26)	(22)	421	378
Loss on disposal and write-off of property, plant and equipment	27	-	16	19	3	1	-	43	46	63
Gain on disposal of leasehold rights	(5)	(10)	-	-	-	-	-	-	(5)	(10)

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

28 Other income

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Sale promotion income	7,681	7,346	7,619	7,292
Income on royalties and other fees relating to licenses income	1,772	1,593	1,772	1,593
Other	4,418	3,981	4,596	4,164
Total	13,871	12,920	13,987	13,049

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Convenience store management fees	14,017	12,774	14,017	12,774
Employee benefit expenses	12,768	11,363	9,560	8,759
Advertising and sale promotion expenses	9,056	8,780	8,153	7,931
Utilities expenses	6,501	5,999	5,334	4,990
Depreciation and amortisation	5,408	4,643	3,549	3,174
Rental fees	5,257	4,505	4,962	4,397
Other	9,002	8,099	6,962	6,114
Total	62,009	56,163	52,537	48,139

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Notes to the financial statements

30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	<i>(in million Baht)</i>			
Employee benefit expenses	7,129	6,225	5,464	4,801
Rental fees	890	958	771	905
Depreciation and amortisation	790	698	465	434
Utilities expenses	287	267	156	164
Other	2,796	4,439	2,866	4,442
Total	11,892	12,587	9,722	10,746

31 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014 (Restated)
		<i>(in million Baht)</i>			
Salaries, wages and bonus		23,045	20,520	15,081	13,687
Contribution to social security fund		545	493	359	335
Staff welfares		579	480	235	208
Severance pay for employees	23	264	237	128	119
Contribution to provident fund		206	190	117	112
Training expenses		98	53	951	833
Other		84	87	30	33
Total		24,821	22,060	16,901	15,327

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Notes to the financial statements

The Company and its local subsidiaries have jointly established a contributory registered provident fund to which the Company, subsidiaries and employees each contribute monthly at the rates ranging from 2% to 3% of the employees' basic salaries. The Company's and the subsidiaries' contributions to the provident fund are recorded as expenses in the statement of income as incurred. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

32 Expenses by nature

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014 (Restate)
<i>(in million Baht)</i>					
Changes in inventories of finished goods and work in progress		(2,959)	(2,513)	(485)	(1,051)
Purchase of finished goods		290,542	267,097	160,852	147,825
Raw materials and consumables used		6,305	5,657	-	-
Depreciation	14	6,694	5,718	4,165	3,757
Amortisation - leasehold rights		243	213	108	103
Amortisation - other intangible assets	16	421	378	144	122
Employee benefit expenses	31	24,821	22,060	16,901	15,327
Rental fees		6,342	5,650	5,816	5,391
Utilities expenses		7,291	6,704	5,604	5,261
Advertising and sale promotion expenses		9,143	8,888	8,153	7,931
Convenience store management fees		14,017	12,774	14,017	12,774
Other		17,560	17,568	13,469	13,839
Total cost of sales of goods and rendering of services, selling expenses and administrative expenses		380,420	350,194	228,744	211,279

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

33 Finance costs

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Finance costs paid to:				
Subsidiaries	-	-	-	5
Financial institutions	8,537	8,482	8,336	8,350
Other parties under finance lease	49	36	-	-
Total	8,586	8,518	8,336	8,355

34 Income tax expense

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(Restated)		(Restated)	
		<i>(in million Baht)</i>			
Current tax					
Current year		3,180	2,656	1,342	900
Over provided in prior year		(4)	(5)	-	-
		3,176	2,651	1,342	900
Deferred income tax					
Movements in temporary differences		(110)	(393)	(42)	(224)
Benefit of tax losses recognised		-	12	-	-
	17	(110)	(381)	(42)	(224)
Total		3,066	2,270	1,300	676

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2015			2014 (Restated)		
	Before tax	Tax income	Net of tax <i>(in million Baht)</i>	Before tax	Tax income	Net of tax
Defined benefit plan actuarial losses	169	(34)	135	59	(12)	47
Total	169	(34)	135	59	(12)	47

	Separate financial statements					
	2015			2014 (Restated)		
	Before tax	Tax income	Net of tax <i>(in million Baht)</i>	Before tax	Tax income	Net of tax
Defined benefit plan actuarial losses	116	(23)	93	10	(2)	8
Total	116	(23)	93	10	(2)	8

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Reconciliation of effective tax rate

Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other	Total
	<i>(in million Baht)</i>			
2015				
Accounting profit (loss) before income tax expense	37	17,042	(195)	16,884
Income tax at the applicable tax rates	-	3,408	-	3,408
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(338)	-	(338)
Over provided in prior year	-	(4)	-	(4)
Net	-	3,066	-	3,066
2014 (Restated)				
Accounting profit (loss) before income tax expense	52	12,649	(112)	12,589
Income tax at the applicable tax rates	-	2,530	-	2,530
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(243)	-	(243)
Benefit of tax losses recognised	-	(12)	-	(12)
Over provided in prior year	-	(5)	-	(5)
Net	-	2,270	-	2,270
			Separate financial statements	
Applicable tax rate (%)			20%	20%
			2015	2014
			(Restated)	
			<i>(in million Baht)</i>	
Accounting profit before income tax expense			12,677	9,361
Income tax at the applicable tax rates			2,535	1,872
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit			(1,235)	(1,196)
Net			1,300	676

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Company and its local subsidiaries has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, a local subsidiary has been granted privileges by the Board of Investment relating to the production of ready-to-serve foods or semi ready-to-serve foods, bakery, and chill. The privileges granted include:

- (a) an exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates;
- (c) an exemption from payment of import duty on necessary raw materials and supplies to be used in the production for export sales for a period of 1 year from the first import date;
- (d) an exemption from the payment of import duty on imported goods with the re-export condition for a period of 1 year from the first import date;

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

- (e) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period the Company being granted exemption; and
- (f) a permission to deduct 25% of installation costs or construction costs of assets necessary for the Company's operation besides a deduction of their normal depreciation.

Revenue from sales of goods under the promoted business of the subsidiary for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated	
	financial statements	
	2015	2014
	<i>(in million Baht)</i>	
Export sales	29	5
Domestic sales	<u>6,907</u>	<u>5,236</u>
Total	<u>6,936</u>	<u>5,241</u>

As a promoted company, the subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

36 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 are based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	<i>(in million Baht / million shares)</i>			
Profit for the year attributable to equity holders of the Company	13,682	10,200	11,376	8,686
Weighted average number of ordinary shares outstanding during the year	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	1.52	1.14	1.27	0.97

37 Dividends

At the annual general meeting of the shareholders of the Company held on 23 April 2015, the Company's shareholders approved the appropriation of 2014 annual dividends of Baht 0.80 per share for 8,983,101,348 ordinary shares, totaling Baht 7,186 million. The dividends were paid to the Company's shareholders on 20 May 2015.

At the annual general meeting of the shareholders of the Company held on 24 April 2014, the Company's shareholders approved the appropriation of 2013 annual dividends of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million. The dividends were paid to the Company's shareholders on 20 May 2014.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

38 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

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

Capital management

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns to the Company's shareholders and benefits to other stakeholders. The management sets strategies to support the Company's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The effective interest rates of financial assets as at 31 December 2015 and 2014 and the periods in which the financial assets mature were as follows:

	Effective interest rate (%)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	Total
2015					
Current					
- Time deposits	0.85 - 2.25	22	-	-	22
- Debt securities	1.60 - 1.75	1,380	-	-	1,380
Total		1,402	-	-	1,402
2014					
Current					
- Time deposits	2.55 - 3.00	32	-	-	32
- Debt securities	2.40 - 2.63	1,200	-	-	1,200
Total		1,232	-	-	1,232
Non-current					
- Debt securities	4.38	-	-	100	100
Total		-	-	100	100

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Effective interest rate (%)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2015					
Non-current					
Short-term loans to subsidiary	4.75	2,900	-	-	2,900
Total		2,900	-	-	2,900
2014					
Non-current					
- Debt securities	4.38	-	-	100	100
Total		-	-	100	100

The effective interest rates of interest-bearing liabilities as at 31 December 2015 and 2014 and the periods in which interest-bearing liabilities mature were as follows:

	Effective interest rate (%)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2015					
Current					
- Promissory notes and bill of exchanges	1.65 - 2.51	11,210	-	-	11,210
- Liabilities under trust receipts	2.25 - 2.70	579	-	-	579
- Short-term borrowings from financial institutions	2.60 - 2.98	92	-	-	92
- Current portion of debentures	4.10	11,841	-	-	11,841
- Current portion of liabilities under finance leases	9.00	80	-	-	80
Total		23,802	-	-	23,802

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Effective interest rate (%)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
Non-current					
- Debentures	2.98 - 5.35	-	83,668	77,491	161,159
- Long-term borrowings from financial institutions	Fixed rate as stipulated on agreement	-	4,000	-	4,000
- Liabilities under finance leases	9.00	-	311	214	525
- Guarantee deposits payable to franchisees	1.37 - 2.00	-	85	2,961	3,046
Total		-	88,064	80,666	168,730
2014					
Current					
- Promissory notes	2.10 - 2.98	14,560	-	-	14,560
- Liabilities under trust receipts	2.80 - 2.85	131	-	-	131
- Short-term borrowings from financial institutions	2.70	35	-	-	35
- Current portion of long-term borrowings from financial institutions	MLR and BIBOR adjust with agreed applicable margin	4,914	-	-	4,914
- Current portion of liabilities under finance leases	9.00	61	-	-	61
Total		19,701	-	-	19,701

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Consolidated financial statements					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
Non-current					
- Debentures	3.45 - 5.35	-	60,720	79,280	140,000
- Long-term borrowings from financial institutions	MLR and BIBOR adjust with agreed applicable margin and fixed rate	-	38,301	-	38,301
- Liabilities under finance leases	9.00	-	266	212	478
- Guarantee deposits payable to franchisees	1.50 - 2.50	-	96	2,733	2,829
Total		-	99,383	82,225	181,608
Separate financial statements					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2015					
Current					
- Bill of exchanges	1.65 - 1.70	9,000	-	-	9,000
- Current portion of debentures	4.10	11,841	-	-	11,841
Total		20,841	-	-	20,841
Non-current					
- Debentures	2.98 - 5.35	-	83,668	77,491	161,159
- Guarantee deposits payable to franchisees	1.37 - 1.50	-	-	2,961	2,961
Total		-	83,668	80,452	164,120

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Effective interest rate (%)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2014					
Current					
- Promissory notes	2.10 - 2.40	11,000	-	-	11,000
- Current portion of long-term borrowings from financial institutions	MLR and BIBOR adjust with agreed applicable margin	4,914	-	-	4,914
Total		15,914	-	-	15,914
Non-current					
- Debentures	3.45 - 5.35	-	60,720	79,280	140,000
- Long-term borrowing from financial institutions	MLR and BIBOR adjust with agreed applicable margin	-	36,301	-	36,301
- Guarantee deposits payable to franchisees	1.50 - 2.50	-	-	2,733	2,733
Total		-	97,021	82,013	179,034

Foreign currency risk

The Group is exposed to foreign currency risk relating to borrowings from financial institutions, purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales of goods, denominated in foreign currencies, for the subsequent period.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

At 31 December 2015 and 2014 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Foreign currency	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
<i>(in million Baht)</i>					
Cash and cash equivalents					
Foreign currency	China Renminbi	1,179	378	-	-
	United States Dollars	24	239	-	28
	Vietnamese Dong	5	4	-	-
Other investments					
Foreign currency	United States Dollars	19	-	-	-
	Hong Kong Dollars	1	-	-	-
	China Renminbi	-	30	-	-
Trade and other accounts receivable					
Foreign currency	United States Dollars	46	20	-	-
	China Renminbi	31	36	-	-
	Vietnamese Dong	24	17	-	-
	Swiss Franc	4	2	-	-
	Pound Sterling	-	10	-	-
Forward currency contracts - to buy and sell	United States Dollars	26	22	-	-
	Pound Sterling	8	15	-	-
	Swiss Franc	6	2	-	-
Other current assets					
Foreign currency	China Renminbi	99	251	-	-
	Vietnamese Dong	5	6	-	-
	Myanmar Kyat	1	-	-	-
Short-term borrowings from financial institutions					
Foreign currency	United States Dollars	67	35	-	-

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Foreign currency	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
Trade and other accounts payable					
Foreign currency	United States Dollars	575	413	-	-
	Yen	204	2	-	-
	Euro	139	61	-	-
	China Renminbi	61	7	-	-
	Australian Dollars	56	19	-	-
	Pound Sterling	13	26	-	-
	Vietnamese Dong	4	6	-	-
	New Zealand Dollars	3	-	-	-
	Swiss Franc	-	14	-	-
Forward currency contracts – to buy and sell	United States Dollars	1,070	239	-	-
	Yen	916	417	-	-
	Euro	113	193	-	-
	Pound Sterling	22	35	-	-
	Australian Dollars	4	26	-	-
	Swiss Franc	-	52	-	-
Other current liabilities					
Foreign currency	China Renminbi	490	220	-	-
	Vietnamese Dong	3	4	-	-

Credit risk

Credit risk is the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December 2015 were as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
Current					
Short-term borrowings from financial institutions	11,881	-	11,881	-	11,881
Debentures	11,841	-	12,050	-	12,050
Finance lease liabilities	80	-	128	-	128
Non-current					
Debentures	161,519	-	170,106	-	170,106
Long-term borrowings from financial institutions	4,000	-	4,056	-	4,056
Finance lease liabilities	525	-	607	-	607
Accrued guarantee deposits	3,064	-	2,522	-	2,522

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Notes to the financial statements

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
Current					
Short-term loans to subsidiary	2,900	-	2,900	-	2,900
Short-term borrowings from financial institutions	9,000	-	9,000	-	9,000
Debentures	11,841	-	12,050	-	12,050
Non-current					
Debentures	161,159	-	170,106	-	170,106
Accrued guarantee deposits	2,961	-	2,412	-	2,412

As at 31 December 2015 the Group had total forward currency contracts as follow:

	Foreign currency	Consolidated	Separate
		financial statements	financial statements
<i>(in million)</i>			
Forward currency contracts - to buy	Yen	3,026.3	-
	United States Dollars	29.5	-
	Euro	2.8	-
	Pound Sterling	0.4	-
	Australian Dollars	0.2	-
Forward currency contracts - to sell	United States Dollars	0.7	-
	Pound Sterling	0.2	-
	Swiss Franc	0.2	-

Fair value of forward currency contracts - to buy and forward currency contracts - to sell amounting to Baht 2,114 million and Baht 40 million, respectively.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets and liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

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

Financial instruments not measured at fair value

Fair value for trade debentures have been determined base on quoted selling price from the Thai Bond Market Associated at the close of the business on the reporting date.

Fair value of forward currency contracts are derived from financial institutions as at the reporting date which calculated from financial models with reference to market input parameter.

Fair value for finance lease liabilities, long-term borrowing from financial institutions and accrued guarantee deposits were calculated by using discounted cash flow method.

39 Supplemental disclosures of cash flows information

Property, plant and equipment purchased during the years ended 31 December 2015 and 2014 are detailed as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Increase during the year	14	16,024	15,059	6,668	5,833
Less - payables		205	(469)	(115)	314
- assets under finance leases		(131)	(390)	-	-
Purchase and paid by cash		16,098	14,200	6,553	6,147

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

40 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)	1,671	2,106	-	-
Total	1,671	2,106	-	-

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Within one year	4,979	4,663	4,548	4,253
After one year but within five years	7,070	6,675	5,672	5,351
After five years	6,270	5,225	2,219	2,226
Total	18,319	16,563	12,439	11,830

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 31 years, which will expire between 2016 and 2045.

Other commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Unused lettes of credit for purchase of goods and supplies	1,000	173	-	-
Total	1,000	173	-	-

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Letters of guarantee

As at 31 December 2015 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 1,147 million and United States Dollars 0.3 million (2014 : Baht 880 million and United States Dollars 0.3 million).

Significant agreements

As at 31 December 2015 the Group had the following significant agreements.

- (a) The Company has an area license agreement with 7-Eleven, Inc., which was incorporated in the United States of America, to acquire a license to use the systems and trademarks of 7-Eleven, Inc. in connection with the operations of 7-Eleven convenience stores or franchising of such operations to other retailers in Thailand. The Company has also obtained certain services from 7-Eleven, Inc. in relation to training and technical assistance. In consideration thereof, the Company is committed to pay royalties to 7-Eleven, Inc. calculated as percentages of total sales of the 7-Eleven convenience stores that are operating in Thailand.
- (b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties from those licensees in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damage and/or liability that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposit rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.
- (c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers. 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.

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- (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 61 days to 12 months, and will expire on various dates until February 2016.
- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, etc.), and other local companies (e.g., hire purchase, life insurance premium, etc.) (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the parties then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers or local companies as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to December 2018. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies (“the parties”), whereby the latter parties are appointed as agents of the subsidiary for receipts of customers’ bills as specified in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to December 2018. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary, CP Retailink Co., Ltd., has repair and maintenance management service agreements with local companies (“the parties”), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

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Notes to the financial statements

41 Contingent liability

As at 31 December 2015 the Company had contingently liable to a legal case, which the Company is a defendant in a lawsuit involving the compliance with Tender Offer Rule. The court of first instance had a judgement on 24 February 2015 and ruled the Company to pay the claimed damages amounting to Baht 104.7 million including interest at the rate of 7.5% per annum starting from 2 August 2013 up to the settlement of claimed damages will be completed. Consequently on 19 June 2015 the Company appealed the court's judgement; and on 16 November 2015 the plaintiff filed against an appeal to the court.

As at the date in this report, the Company's legal counsel is of the opinion that based on the witness statements and evidences presented during the trial, the court should eventually dismiss and the Company will not be received the significant negative effects. Accordingly, no provision has been made in the financial statements for the year ended 31 December 2015.

42 Events after the reporting period

42.1 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited) held on 19 February 2016, the subsidiary's Board of Directors approved to propose to the annual general shareholders' meeting of a subsidiary for approval to declare the final dividends from the profit for the year 2015 of Baht 0.45 per share for 4,800 million ordinary shares, totaling Baht 2,160 million. The declaration of final dividend payment must be approved by the shareholders' meeting of the subsidiary.

42.2 At the Board of Directors' meeting of the Company held on 29 February 2015, 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 2015 of Baht 0.90 per share for 8,983 million ordinary shares, totaling Baht 8,085 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.

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Notes to the financial statements

43 Thai Financial Reporting Standards not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below.

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016

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TFRS	Topic	Year effective
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 5 (revised 2015)	Non - current Assets Held for Sale and Discontinued Operations	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 21	Levies	2016

CP ALL Public Company Limited and its Subsidiaries Notes to the financial statements

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and expects that there will be no material impact on the consolidated financial statements and separate financial statements in the period of initial application.





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