

**CP ALL Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Independent Auditor's Report
on Review of Interim Financial Information

For the three-month and nine-month periods ended
30 September 2012

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of CP ALL Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 30 September 2012; the consolidated and separate statements of income, comprehensive income for the three-month and nine-month periods then ended; the consolidated and separate statements of changes in equity and cash flows for the nine-month periods ended 30 September 2012 and 2011; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

The comparative consolidated and separate statement of financial position as at 31 December 2011

I have previously audited the consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, for the year ended 31 December 2011 in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those financial statements in my report dated 16 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, which are included in the accompanying interim financial information for comparative purposes, are components of those financial statements. I have not performed any auditing procedures since the date of my audit report.

(Veerachai Ratanajaratkul)
Certified Public Accountant
Registration No. 4323

KPMG Phoomchai Audit Ltd.
Bangkok
2 November 2012

CP ALL Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2012	2011	2012	2011
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		20,871,756	14,201,712	17,459,810	10,804,492
Current investments		9,968,062	9,893,329	6,333,442	5,437,163
Trade accounts receivable	3, 4	526,466	476,647	99,849	170,569
Other accounts receivable	3, 5	1,121,209	499,892	1,482,681	645,976
Inventories	3	8,312,716	8,642,209	7,503,960	7,901,009
Other current assets	3	2,583,027	2,690,265	2,365,463	2,525,942
Total current assets		43,383,236	36,404,054	35,245,205	27,485,151
<i>Non-current assets</i>					
Investments in subsidiaries	6	-	-	6,523,829	6,504,829
Investment in related company	3	24,000	18,000	24,000	18,000
Other long-term investments		2,091,112	1,741,112	2,090,700	1,740,700
Long-term loans to subsidiaries	3	-	-	10,000	290,000
Property, plant and equipment	3, 7	16,790,057	14,993,990	12,939,776	11,743,397
Intangible assets		945,930	821,084	489,841	449,681
Leasehold rights		321,985	311,133	321,985	311,133
Other non-current assets	3	1,226,956	1,051,495	1,511,581	1,359,275
Total non-current assets		21,400,040	18,936,814	23,911,712	22,417,015
Total assets		64,783,276	55,340,868	59,156,917	49,902,166

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

CP ALL Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012 (Unaudited)	31 December 2011	30 September 2012 (Unaudited)	31 December 2011
<i>(in thousand Baht)</i>					
Current liabilities					
Overdrafts and short-term borrowings					
from financial institutions		21,136	2,174	-	-
Trade accounts payable	3, 8	29,932,997	24,393,114	24,397,215	20,005,236
Income tax payable		655,507	1,138,285	587,442	975,340
Other current liabilities	3	6,274,559	4,945,513	10,333,724	7,485,828
Total current liabilities		36,884,199	30,479,086	35,318,381	28,466,404
Non-current liabilities					
Employee benefit obligations	9	887,329	757,879	663,069	611,980
Accrued guarantee deposits		2,772,845	2,405,049	2,654,051	2,282,708
Total non-current liabilities		3,660,174	3,162,928	3,317,120	2,894,688
Total liabilities		40,544,373	33,642,014	38,635,501	31,361,092
Equity					
Share capital	10				
Authorised share capital		8,986,296	4,500,000	8,986,296	4,500,000
Issued and paid-up share capital		8,983,101	4,493,148	8,983,101	4,493,148
Additional paid-in capital					
Premium on ordinary shares		1,684,317	1,684,317	1,684,317	1,684,317
Retained earnings					
Appropriated					
Legal reserve	11	900,000	450,000	900,000	450,000
Unappropriated		12,926,169	15,224,549	8,953,998	11,913,609
Other components of equity		(487,387)	(361,409)	-	-
Equity attributable to equity holders of the Company		24,006,200	21,490,605	20,521,416	18,541,074
Non-controlling interests		232,703	208,249	-	-
Total equity		24,238,903	21,698,854	20,521,416	18,541,074
Total liabilities and equity		64,783,276	55,340,868	59,156,917	49,902,166

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

CP ALL Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated		Separate	
		2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Income	3				
Revenue from sale of goods and rendering of services		48,503,536	40,046,338	47,445,833	39,074,954
Interest income		181,370	120,362	136,385	103,528
Dividend income		13	10	-	-
Net foreign exchange gain		41,999	53,625	5,384	322
Other income		2,540,123	1,595,604	2,650,413	1,703,014
Total income		51,267,041	41,815,939	50,238,015	40,881,818
Expenses	3				
Cost of sale of goods and rendering of services		35,981,672	29,934,076	35,349,937	29,442,131
Selling expenses		9,747,647	7,120,128	9,787,943	7,138,173
Administrative expenses		1,790,613	1,740,916	1,891,562	1,799,711
Key management benefit expenses		76,860	54,529	76,860	54,529
Finance costs		8	2	-	-
Total expenses		47,596,800	38,849,651	47,106,302	38,434,544
Profit before income tax expense		3,670,241	2,966,288	3,131,713	2,447,274
Income tax expense	13	749,605	791,566	679,990	673,144
Profit for the period		2,920,636	2,174,722	2,451,723	1,774,130
Profit attributable to:					
Equity holders of the Company		2,902,488	2,173,034	2,451,723	1,774,130
Non-controlling interests		18,148	1,688	-	-
Profit for the period		2,920,636	2,174,722	2,451,723	1,774,130
Basic earnings per share (Baht)	14	0.32	0.24	0.27	0.20

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

CP ALL Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 September 2012 and 2011 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Profit for the period	2,920,636	2,174,722	2,451,723	1,774,130
Other comprehensive income				
Currency translation differences	<u>(139,956)</u>	<u>60,942</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>(139,956)</u>	<u>60,942</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,780,680</u>	<u>2,235,664</u>	<u>2,451,723</u>	<u>1,774,130</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>2,762,532</u>	<u>2,233,976</u>	<u>2,451,723</u>	<u>1,774,130</u>
Non-controlling interests	<u>18,148</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,780,680</u>	<u>2,235,664</u>	<u>2,451,723</u>	<u>1,774,130</u>

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

CP ALL Public Company Limited and its Subsidiaries

Statements of income

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Income	3				
Revenue from sale of goods and rendering of services		137,133,208	116,199,782	134,334,907	113,684,977
Interest income		522,745	304,134	408,127	255,381
Dividend income		39	31	460,498	429,996
Net foreign exchange gain		20,964	156,561	16,036	279
Other income		5,967,301	4,796,730	6,286,520	5,104,451
Total income		143,644,257	121,457,238	141,506,088	119,475,084
Expenses	3				
Cost of sale of goods and rendering of services		101,672,776	87,210,041	100,277,249	85,910,142
Selling expenses		26,164,280	20,324,223	26,224,076	20,355,644
Administrative expenses		4,969,493	4,761,629	5,074,745	4,894,062
Key management benefit expenses		300,475	252,438	300,475	252,438
Finance costs		19	5	-	-
Total expenses		133,107,043	112,548,336	131,876,545	111,412,286
Profit before income tax expense		10,537,214	8,908,902	9,629,543	8,062,798
Income tax expense	13	2,251,555	2,475,740	2,029,571	2,201,489
Profit for the period		8,285,659	6,433,162	7,599,972	5,861,309
Profit attributable to:					
Equity holders of the Company		8,261,203	6,426,744	7,599,972	5,861,309
Non-controlling interests		24,456	6,418	-	-
Profit for the period		8,285,659	6,433,162	7,599,972	5,861,309
Basic earnings per share (Baht)	14	0.92	0.72	0.85	0.65

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

CP ALL Public Company Limited and its Subsidiaries
Statements of comprehensive income
For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Profit for the period	8,285,659	6,433,162	7,599,972	5,861,309
Other comprehensive income				
Currency translation differences	(125,978)	144,012	-	-
Other comprehensive income for the period, net of income tax	(125,978)	144,012	-	-
Total comprehensive income for the period	8,159,681	6,577,174	7,599,972	5,861,309
Total comprehensive income attributable to:				
Equity holders of the Company	8,135,225	6,570,756	7,599,972	5,861,309
Non-controlling interests	24,456	6,418	-	-
Total comprehensive income for the period	8,159,681	6,577,174	7,599,972	5,861,309

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

CP ALL Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

		Consolidated financial statements							
					Retained earnings	Other components of equity			
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences	Equity attributable to equity holders of the Company	Non- controlling interests	Total equity
<i>(in thousand Baht)</i>									
Balance at 1 January 2011		4,493,148	1,684,317	450,000	11,710,128	(581,921)	17,755,672	202,514	17,958,186
Transactions with equity holders, recorded directly in equity									
<i>Distributions to equity holders</i>									
Dividends	15	-	-	-	(4,493,148)	-	(4,493,148)	(5)	(4,493,153)
Total transactions with equity holders, recorded directly in equity		-	-	-	(4,493,148)	-	(4,493,148)	(5)	(4,493,153)
Comprehensive income for the period									
Profit		-	-	-	6,426,744	-	6,426,744	6,418	6,433,162
Other comprehensive income		-	-	-	-	144,012	144,012	-	144,012
Total comprehensive income for the period		-	-	-	6,426,744	144,012	6,570,756	6,418	6,577,174
Balance at 30 September 2011		4,493,148	1,684,317	450,000	13,643,724	(437,909)	19,833,280	208,927	20,042,207

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

CP ALL Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

		Consolidated financial statements							
					Retained earnings	Other components of equity			
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences	Equity attributable to equity holders of the Company	Non- controlling interests	Total equity
<i>Note</i>		<i>(in thousand Baht)</i>							
Balance at 1 January 2012		4,493,148	1,684,317	450,000	15,224,549	(361,409)	21,490,605	208,249	21,698,854
Transactions with equity holders, recorded directly in equity									
<i>Distributions to equity holders</i>									
	<i>10</i>	4,489,953	-	-	-	-	4,489,953	-	4,489,953
	<i>15</i>	-	-	-	(10,109,583)	-	(10,109,583)	(2)	(10,109,585)
Total transactions with equity holders, recorded directly in equity		4,489,953	-	-	(10,109,583)	-	(5,619,630)	(2)	(5,619,632)
Comprehensive income for the period									
		-	-	-	8,261,203	-	8,261,203	24,456	8,285,659
		-	-	-	-	(125,978)	(125,978)	-	(125,978)
Total comprehensive income for the period		-	-	-	8,261,203	(125,978)	8,135,225	24,456	8,159,681
	<i>11</i>	-	-	450,000	(450,000)	-	-	-	-
Balance at 30 September 2012		8,983,101	1,684,317	900,000	12,926,169	(487,387)	24,006,200	232,703	24,238,903

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

CP ALL Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	<i>Note</i>	Separate financial statements				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	
<i>(in thousand Baht)</i>						
Balance at 1 January 2011		4,493,148	1,684,317	450,000	9,132,749	15,760,214
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Dividends	<i>15</i>	-	-	-	(4,493,148)	(4,493,148)
Total transactions with equity holders, recorded directly in equity		-	-	-	(4,493,148)	(4,493,148)
Comprehensive income for the period						
Profit		-	-	-	5,861,309	5,861,309
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	5,861,309	5,861,309
Balance at 30 September 2011		4,493,148	1,684,317	450,000	10,500,910	17,128,375

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

CP ALL Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

		Separate financial statements				
		<u>Retained earnings</u>				
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Total equity
		<i>(in thousand Baht)</i>				
Balance at 1 January 2012		4,493,148	1,684,317	450,000	11,913,609	18,541,074
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Issue of ordinary shares	<i>10</i>	4,489,953	-	-	-	4,489,953
Cash dividends and stock dividends	<i>15</i>	-	-	-	(10,109,583)	(10,109,583)
Total transactions with equity holders, recorded directly in equity		4,489,953	-	-	(10,109,583)	(5,619,630)
Comprehensive income for the period						
Profit		-	-	-	7,599,972	7,599,972
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	7,599,972	7,599,972
Transfer to legal reserve	<i>11</i>	-	-	450,000	(450,000)	-
Balance at 30 September 2012		8,983,101	1,684,317	900,000	8,953,998	20,521,416

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

CP ALL Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		8,285,659	6,433,162	7,599,972	5,861,309
<i>Adjustments for</i>					
Depreciation		2,352,370	2,289,054	2,077,424	2,019,649
Amortisation - intangible assets		81,219	73,149	53,502	42,958
Amortisation - leasehold rights		64,711	60,188	64,711	60,188
Interest income		(522,745)	(304,134)	(408,127)	(255,381)
Dividend income		(39)	(31)	(460,498)	(429,996)
Finance costs		19	5	-	-
Income tax expense		2,251,555	2,475,740	2,029,571	2,201,489
Provision for employees' severance pay	9	161,684	197,666	83,323	131,949
Reversal of allowance for losses on slow-moving inventories		(30,428)	(99,380)	(13,757)	(91,535)
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)		11,355	(3,387)	11,613	-
Unrealised (gain) loss on exchange		2,456	(154,616)	(454)	(395)
Loss on disposal and write-off of property, plant and equipment		89,321	15,574	92,669	16,524
Gain on disposal of leasehold rights		(5,957)	(2,001)	(5,957)	(2,001)
		<u>12,741,180</u>	<u>10,980,989</u>	<u>11,123,992</u>	<u>9,554,758</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(49,561)	35,988	70,720	23,665
Other accounts receivable		(632,930)	(19,943)	(848,945)	42,463
Inventories		359,921	97,403	410,806	202,104
Other current assets		206,435	1,053,444	230,254	1,065,013
Other non-current assets		(177,269)	(94,492)	(152,306)	(68,307)
Trade accounts payable		5,539,883	30,662	4,391,979	575,738
Other current liabilities		1,077,740	(1,869)	2,706,581	(2,622)
Employee benefit obligations paid	9	(32,234)	(1,298)	(32,234)	(669)
Accrued guarantee deposits		367,796	325,093	371,343	337,923
Cash generated from operating activities		<u>19,400,961</u>	<u>12,405,977</u>	<u>18,272,190</u>	<u>11,730,066</u>
Income tax paid		<u>(2,735,984)</u>	<u>(2,828,603)</u>	<u>(2,417,469)</u>	<u>(2,561,594)</u>
Net cash provided by operating activities		<u>16,664,977</u>	<u>9,577,374</u>	<u>15,854,721</u>	<u>9,168,472</u>

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

CP ALL Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>					
Interest received		441,686	252,536	357,105	211,784
Dividends received		39	31	460,498	429,996
Purchase of current investments		(8,195,527)	(3,100,000)	(7,545,527)	(3,100,000)
Sale of current investments		7,972,059	1,110,153	6,600,000	298,417
Cash outflow on investment					
in subsidiaries	6	-	-	(19,000)	-
Cash outflow on investment					
in related company	3	(6,000)	(6,000)	(6,000)	(6,000)
Cash outflow on other long-term					
investments		(700,000)	(1,100,000)	(700,000)	(1,100,000)
Cash inflow on other long-term					
investments		350,000	50,183	350,000	50,183
Cash inflow on long-term loans to					
related parties	3	-	-	280,000	123,920
Cash outflow on long-term loans to					
related parties	3	-	-	-	(50,920)
Purchase of property, plant and					
equipment	16	(4,207,268)	(3,133,950)	(3,433,790)	(2,665,924)
Sale of property, plant and equipment		245,120	116,969	233,021	112,324
Purchase of intangible assets		(206,065)	(99,099)	(93,662)	(102,872)
Purchase of leasehold rights		(75,865)	(70,485)	(75,865)	(70,485)
Sale of leasehold rights		6,259	6,870	6,259	6,870
Net cash used in investing activities		<u>(4,375,562)</u>	<u>(5,972,792)</u>	<u>(3,586,961)</u>	<u>(5,862,707)</u>
<i>Cash flows from financing activities</i>					
Interest paid		(19)	-	-	-
Dividends paid to equity holders of					
the Company		(5,612,442)	(4,489,761)	(5,612,442)	(4,489,761)
Dividends paid to non-controlling interests		(2)	(5)	-	-
Increase in overdrafts and short-term					
borrowings from financial institutions		18,962	48	-	-
Net cash used in financing activities		<u>(5,593,501)</u>	<u>(4,489,718)</u>	<u>(5,612,442)</u>	<u>(4,489,761)</u>

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

CP ALL Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
Note	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents	6,695,914	(885,136)	6,655,318	(1,183,996)
Cash and cash equivalents at beginning of period	14,201,712	15,715,769	10,804,492	12,179,563
Effect of exchange rate changes on balances held in foreign currencies	(25,870)	26,453	-	-
Cash and cash equivalents at end of period	<u>20,871,756</u>	<u>14,857,086</u>	<u>17,459,810</u>	<u>10,995,567</u>

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

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade accounts receivable
5	Other accounts receivable
6	Investments in subsidiaries
7	Property, plant and equipment
8	Trade accounts payable
9	Employee benefit obligations
10	Share capital
11	Legal reserve
12	Segment information
13	Income tax expense
14	Basic earnings per share
15	Dividends
16	Supplemental disclosures of cash flows information
17	Commitments with non-related parties

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai 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 executive directors on 2 November 2012.

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 period was Charoen Pokphand Group Company Limited which incorporated in Thailand.

The principal businesses of the Group are operating convenience stores, 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 30 September 2012 was 6,773 stores (31 December 2011: 6,276 stores).

	30 September 2012	31 December 2011
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,062	2,926
The Company franchises the license to other retailers under management agreements	3,205	2,884
The Company franchises the license to other retailers under sub-license agreements	506	466
Total	6,773	6,276

Details of the Company’s subsidiaries as at 30 September 2012 and 31 December 2011 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2012	31 December 2011
Direct subsidiaries				
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00
Counter Service Co., Ltd.	Bill payment services and distributor of all types of commercial cards and tickets	Thailand	99.99	99.99
Retailink (Thailand) Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2012	31 December 2011
C.P. Retailing and Marketing Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99
Suksapiwat Co., Ltd.	Educational institution	Thailand	99.99	99.99
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99
All Training Co., Ltd.	Training center	Thailand	99.99	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64
<i>Indirect subsidiaries</i>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College (formerly “Panyapiwat Techno Business School”)	Educational institution	Thailand	99.99	99.99
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region	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	-

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2011. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2011.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2011.

(b) *Presentation currency*

The interim financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest million unless otherwise stated.

(c) *Use of estimates and judgements*

The preparation of interim financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except as disclosed below, in preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2011.

Estimates

Measurement of defined benefit obligations

The calculation of the defined benefit obligation is sensitive to the assumptions on mortality rate, interest rate of long term government bond, resignation rate and salary increasing rate as set out in note 9 to the interim financial statements.

3 **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 party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with 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 some common directors
Counter Service Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
Retailink (Thailand) Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
C.P. Retailing and Marketing Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Name of parties	Country of incorporation/ nationality	Nature of relationships
Gosoft (Thailand) Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
MAM Heart Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
Dynamic Management Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
Panyatara Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
All Training Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding
Thai Smart Card Co., Ltd.	Thailand	Direct subsidiary, 72.64% shareholding
Panyapiwat Institute of Management	Thailand	Indirect subsidiary, 99.99% shareholding
True Money 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
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
BFKT (Thailand) Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Merchandising Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CP-Meiji Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Allianz C.P. General Insurance 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. Consumer Product 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 Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
True Corporation Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 4 common directors
Siam Makro Public Company Limited	Thailand	1 director of the Company is a major shareholder and 1 common director
C.P. Intertrade Co., Ltd.	Thailand	Chearavanont family is a major shareholder
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is a major shareholder
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

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	Finance costs plus administrative expenses
Dividend income	Right to receive dividends
Purchase of goods	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rental and service fees	Rates advised by the lessors and service providers
Technical service fees	Contract prices determined by the terms and conditions used in the normal course of business
Insurance premiums	Standard rates as specified by the insurers
Interest expense	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies

Significant transactions for the three-month and nine-month periods ended 30 September 2012 and 2011 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>For the three-month period ended 30 September</i>				
		<i>(in million Baht)</i>		
Ultimate parent company				
Administrative expenses	2	2	2	2
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	106	90
Interest income	-	-	1	2
Other income	-	-	150	131
Selling expenses	-	-	294	181
Administrative expenses	-	-	365	286
Purchases of goods and services	-	-	2,167	1,892
Purchases of property, plant and equipment	-	-	300	256
Related companies				
Revenue from sale of goods and rendering of services	445	363	159	77
Other income	79	51	78	50
Selling expenses	3	3	-	-
Administrative expenses	67	63	55	56
Purchases of goods and services	4,969	4,150	4,568	3,768

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

<i>For the three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefit	75	50	75	50
Severance pay for employees	<u>2</u>	<u>5</u>	<u>2</u>	<u>5</u>
Total key management benefit expenses	<u><u>77</u></u>	<u><u>55</u></u>	<u><u>77</u></u>	<u><u>55</u></u>
<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Ultimate parent company</i>				
Administrative expenses	7	7	7	7
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	293	259
Interest income	-	-	5	6
Dividend income	-	-	460	430
Other income	-	-	416	377
Selling expenses	-	-	693	495
Administrative expenses	-	-	891	827
Purchases of goods and services	-	-	6,187	5,100
Purchases of property, plant and equipment	-	-	909	794
<i>Related companies</i>				
Revenue from sale of goods and rendering of services	1,078	883	435	233
Other income	153	169	150	167
Selling expenses	9	8	-	-
Administrative expenses	202	142	179	125
Purchases of goods and services	14,194	11,710	13,154	10,734
Purchases of property, plant and equipment	-	64	-	-
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefit	293	238	293	238
Severance pay for employees	<u>7</u>	<u>14</u>	<u>7</u>	<u>14</u>
Total key management benefit expenses	<u><u>300</u></u>	<u><u>252</u></u>	<u><u>300</u></u>	<u><u>252</u></u>

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Balances as at 30 September 2012 and 31 December 2011 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Related companies				
C.P. Merchandising Co., Ltd.	59	29	-	-
Siam Makro Public Company Limited	23	23	-	-
CPF Trading Co., Ltd.	13	10	-	-
True Move Co., Ltd.	7	6	-	-
BFKT (Thailand) Co., Ltd.	5	1	-	-
True Corporation Public Company	4	8	-	-
CPF (Thailand) Public Company Limited	3	-	-	-
True GS Co., Ltd.	2	4	-	-
Others	19	11	-	-
Total	135	92	-	-
<i>Less allowance for doubtful accounts</i>	<i>(1)</i>	<i>(2)</i>	<i>-</i>	<i>-</i>
Net	134	90	-	-

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Bad debts and doubtful debts expense for the				
- three-month period ended 30 September	-	-	-	-
- nine-month period ended 30 September	-	-	-	-

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Subsidiaries				
Thai Smart Card Co., Ltd.	-	-	257	67
Counter Service Co., Ltd.	-	-	85	73
Others	-	-	27	13
Total	-	-	369	153

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Related companies				
True Money Co., Ltd.	104	49	104	49
Allianz C.P. General Insurance Co., Ltd.	103	78	103	78
CPF Trading Co., Ltd.	18	14	18	10
CP-Meiji Co., Ltd.	15	-	15	-
True Distribution and Sales Co., Ltd.	11	12	11	12
Others	7	12	7	12
Total	258	165	258	161
Grand total	258	165	627	314

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Bad debts and doubtful debts expense for the				
- three-month period ended 30 September	-	-	-	-
- nine-month period ended 30 September	-	-	-	-

Investment in related company

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
True GS Co., Ltd.	24	18	24	18
Total	24	18	24	18

Movements during the nine-month periods ended 30 September 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
At 1 January	18	-	18	-
Acquisitions	6	6	6	6
At 30 September	24	6	24	6
At 31 December		18		18

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Long-term loans to subsidiaries

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
C.P. Retailing and Marketing Co., Ltd.	-	-	-	280
Dynamic Management Co., Ltd.	-	-	10	10
Total	<u>-</u>	<u>-</u>	<u>10</u>	<u>290</u>

Movements during the nine-month periods ended 30 September 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
At 1 January	-	-	290	263
Increases	-	-	-	51
Decreases	-	-	(280)	(124)
At 30 September	<u>-</u>	<u>-</u>	<u>10</u>	<u>190</u>
At 31 December		<u>-</u>		<u>290</u>

Interest rate as at 30 September 2012 and 31 December 2011 was as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(interest rate per annum)</i>			
C.P. Retailing and Marketing Co., Ltd.	-	-	3.75%	3.50%
Dynamic Management Co., Ltd.	-	-	3.50%	3.50%

As at 30 September 2012 and 31 December 2011 the balances of long-term loans to subsidiaries were unsecured and without a fixed repayment term.

Prepaid rental and service fees

Subsidiary	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management	-	-	321	344
Total	<u>-</u>	<u>-</u>	<u>321</u>	<u>344</u>

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

During the year 2008 the Company paid for the whole amount of prepaid rental and service fees under the terms of lease and service agreements to a local subsidiary (Panyapiwat Institute of Management) totaling Baht 450 million. The Company amortised prepaid rental and service fees as an expense according to the terms of the agreements (15 years).

As at 30 September 2012 and 31 December 2011 the Company's prepaid rental and service fees, net was Baht 321 million and Baht 344 million respectively.

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Subsidiary				
C.P. Retailing and Marketing Co., Ltd.	-	-	213	170
Total	-	-	213	170
Related companies				
True Money Co., Ltd.	1,424	698	1,414	687
CPF Trading Co., Ltd.	1,186	1,038	981	838
CP-Meiji Co., Ltd.	297	230	297	230
CPF (Thailand) Public Company Limited	258	-	-	-
True Distribution and Sales Co., Ltd.	236	193	236	193
C.P. Food Store Co., Ltd.	97	59	40	51
C.P. Packaging Industry Co., Ltd.	88	85	88	85
C.P. Consumer Product Co., Ltd.	84	80	82	78
Others	109	996	44	675
Total	3,779	3,379	3,182	2,837
Grand total	3,779	3,379	3,395	3,007

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Subsidiaries				
Counter Service Co., Ltd.	-	-	4,780	3,242
Thai Smart Card Co., Ltd.	-	-	314	83
Retailink (Thailand) Co., Ltd.	-	-	77	176
MAM Heart Co., Ltd.	-	-	54	38
Gosoft (Thailand) Co., Ltd.	-	-	45	66
All Training Co., Ltd.	-	-	21	-
Panyatara Co., Ltd.	-	-	17	15
Panyapiwat Institute of Management	-	-	3	-
Total	-	-	5,311	3,620

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Related companies				
Allianz C.P. General Insurance Co., Ltd.	27	7	-	-
True Universal Convergence Co., Ltd.	7	13	7	13
C.P. Intertrade Co., Ltd.	2	5	-	-
True Move Co., Ltd.	2	3	2	3
Others	16	13	-	1
Total	54	41	9	17
Grand total	54	41	5,320	3,637

Significant agreements with related parties

As at 30 September 2012 the Group had the following significant agreements with related parties.

- (a) The Company and its local subsidiaries have lease and service agreements with C.P. Land Public Company Limited, a related company, for lease spaces in its building for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agree to pay monthly rental and services fees totaling Baht 7.7 million, and place guarantee deposits with the related company totaling Baht 23.1 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease.
- (b) The Company and a local subsidiary have service agreements covering technical advisory, management, technical assistances and right to use the trademark and services of Charoen Pokphand Group Company Limited, the ultimate parent company. In consideration thereof, the Company and the subsidiary agree to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million and a fee calculated at the rate of 0.5% of total sales value of products stipulated in the agreements respectively.
- (c) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agrees to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agrees to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agrees 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.
- (d) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agrees to provide the installation of computer system to support bill payment services. In consideration thereof, the subsidiary agrees to pay various monthly service fees to the Company in accordance with the types of services stipulated in the agreements.
- (e) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agrees to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agrees 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

- (f) The Company has lease and service agreements with Panyapiwat Institute of Management, a local subsidiary, for lease of its building spaces for field consultant conference, trade show, franchisee conference and other activities for a period of 15 years.
- (g) The Company has a maintenance service agreement with Retailink (Thailand) Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agrees to provide the maintenance of the computer hardware and equipment services to the Company. In consideration thereof, the Company agrees to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (h) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the term of the agreement, the Company agrees to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years until September 2014. In consideration thereof, the subsidiary agrees to pay an annual service fee to the Company at the amount stipulated in the agreement.

4 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
		<i>(in million Baht)</i>			
Related parties	3	135	92	-	-
Other parties		408	403	100	171
Total		543	495	100	171
Less allowance for doubtful accounts		(17)	(18)	-	-
Net		526	477	100	171

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Reversal of allowance for doubtful accounts for the				
- three-month period ended 30 September	-	(3)	-	-
- nine-month period ended 30 September	-	(3)	-	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	30 September 2012	31 December 2011	30 September 2012	31 December 2011
<i>(in million Baht)</i>					
Related parties					
Within credit terms		107	68	-	-
Overdue:					
Less than 3 months		27	24	-	-
6 - 12 months		1	-	-	-
Total		135	92	-	-
Less allowance for doubtful accounts		(1)	(2)	-	-
Net	3	134	90	-	-
Other parties					
Within credit terms		351	375	100	171
Overdue:					
Less than 3 months		49	23	-	-
3 - 6 months		-	1	-	-
6 - 12 months		3	-	-	-
Over 12 months		5	4	-	-
Total		408	403	100	171
Less allowance for doubtful accounts		(16)	(16)	-	-
Net		392	387	100	171
Grand total		526	477	100	171

The normal credit term granted by the Group ranges from 7 days to 90 days.

5 Other accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	30 September 2012	31 December 2011	30 September 2012	31 December 2011
<i>(in million Baht)</i>					
Related parties	3	258	165	627	314
Other parties		873	345	866	342
Total		1,131	510	1,493	656
Less allowance for doubtful accounts		(10)	(10)	(10)	(10)
Net		1,121	500	1,483	646

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Bad debts and doubtful debts expense for the				
- three-month period ended 30 September	<u>11</u>	<u>-</u>	<u>12</u>	<u>-</u>
- nine-month period ended 30 September	<u>11</u>	<u>-</u>	<u>12</u>	<u>-</u>

Aging analyses for other accounts receivable were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		103	123	468	272
Overdue:					
less than 3 months		56	35	60	36
3 - 6 months		99	7	99	6
Total	3	<u>258</u>	<u>165</u>	<u>627</u>	<u>314</u>
Other parties					
Within credit terms		752	260	749	259
Overdue:					
Less than 3 months		111	60	107	60
3 - 6 months		-	4	-	3
6 - 12 months		1	12	1	11
Over 12 months		9	9	9	9
Total		<u>873</u>	<u>345</u>	<u>866</u>	<u>342</u>
Less allowance for doubtful accounts		(10)	(10)	(10)	(10)
Net		<u>863</u>	<u>335</u>	<u>856</u>	<u>332</u>
Grand total		<u>1,121</u>	<u>500</u>	<u>1,483</u>	<u>646</u>

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 interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

6 Investments in subsidiaries

Movements during the nine-month periods ended 30 September 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
At 1 January	-	-	6,505	6,505
Acquisition	-	-	19	-
At 30 September	<u>-</u>	<u>-</u>	<u>6,524</u>	<u>6,505</u>
At 31 December		<u>-</u>		<u>6,505</u>

Details of the additional investments as at 30 September 2012 and 31 December 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Gosoft (Thailand) Co., Ltd.	-	-	18	-
All Training Co., Ltd.	-	-	1	-
Total	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Investments in subsidiaries as at 30 September 2012 and 31 December 2011, and dividend income for the nine-month periods ended 30 September 2012 and 2011 were as follows:

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost		Dividend income for the nine-month periods ended	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	30 September 2011
	(%)		(in million US\$)		(in million Baht)			
Foreign subsidiary								
Lotus Distribution Investment Limited	100.00	100.00	116	116	3,857	3,857	-	-
Total					<u>3,857</u>	<u>3,857</u>	<u>-</u>	<u>-</u>
	Ownership interest		Paid-up capital		Cost		Dividend income for the nine-month periods ended	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	30 September 2011
	(%)				(in million Baht)			
Local subsidiaries								
Suksapiwat Co., Ltd.	99.99	99.99	810	810	810	810	-	-
C.P. Retailing and Marketing Co., Ltd.	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	99.99	99.99	70	70	61	61	402	350
Retailink (Thailand) Co., Ltd.	99.99	99.99	20	20	20	20	-	-
Gosoft (Thailand) Co., Ltd.	99.99	99.99	20	2	20	2	58	30
Dynamic Management Co., Ltd.	99.99	99.99	2	2	2	2	-	-
MAM Heart Co., Ltd.	99.99	99.99	1	1	1	1	-	-
Panyatara Co., Ltd.	99.99	99.99	1	1	1	1	-	50
All Training Co., Ltd.	99.99	-	1	-	1	-	-	-
Thai Smart Card Co., Ltd.	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Total					<u>2,667</u>	<u>2,648</u>	<u>460</u>	<u>430</u>
Grand total					<u>6,524</u>	<u>6,505</u>	<u>460</u>	<u>430</u>

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

7 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2012 and 2011 were as follows:

	Consolidated financial statements			
	2012	2011	2012	2011
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	364	-	207	-
Buildings, building and leasehold improvements	1,143	179	907	51
Machinery and equipment	1,126	39	865	26
Furniture, fixtures and office equipment	975	85	746	39
Assets under construction and installation	2,076	1,484	1,339	1,266
Others	283	31	271	17
Total	5,967	1,818	4,335	1,399

	Separate financial statements			
	2012	2011	2012	2011
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	103	-	48	-
Buildings, building and leasehold improvements	1,058	179	873	51
Machinery and equipment	901	38	697	25
Furniture, fixtures and office equipment	1,001	81	787	37
Assets under construction and installation	1,561	1,288	1,147	1,140
Others	264	28	260	16
Total	4,888	1,614	3,812	1,269

8 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
		<i>(in million Baht)</i>			
Related parties	3	3,779	3,379	3,395	3,007
Other parties		26,154	21,014	21,002	16,998
Total		29,933	24,393	24,397	20,005

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

9 Employee benefit obligations

The Group operates the severance pay plan for employees based on the requirements of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Statement of financial position obligations for:				
Severance pay for employees	887	758	663	612
Total	887	758	663	612

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>For the three-month period ended 30 September</i>	<i>(in million Baht)</i>			

Statement of income charge for:

Recognised in profit or loss:

Severance pay for employees	58	68	15	44
Total	58	68	15	44

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>For the nine-month period ended 30 September</i>	<i>(in million Baht)</i>			

Statement of income charge for:

Recognised in profit or loss:

Severance pay for employees	161	198	83	132
Total	161	198	83	132

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 five years from 1 January 2011. Movements during the period on the provision for the unrecognised transitional obligation were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Unrecognised transitional obligation as at 1 January	152	190	54	67
Recognised through profit or loss for the period	(28)	(28)	(10)	(10)
Unrecognised transitional obligation as at 30 September	124	162	44	57

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Movements in the present value of the defined benefit obligations:

<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	758	493	612	437
Benefits paid by the plan	(32)	(1)	(32)	(1)
Transitional obligation recognised	28	28	10	10
Current service costs and interest	133	170	73	122
Defined benefit obligations as at 30 September	887	690	663	568

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated/Separate financial statements	
	30 September 2012	31 December 2011
Discount rate (%)	4.16	4.19
Future pension increases (year)	55 and 60	55 and 60

Assumptions regarding future mortality are based on published statistics and mortality tables. Discount rate is similar to the interest rate of long term government bond and future salary increases rate was determined by the average rate of salary increases in prior year.

10 Share capital

	<i>Par value per share (in Baht)</i>	Consolidated financial statements/ Separate financial statements		
		2012	2011	
	Number of shares	Baht <i>(in million)</i>	Number of shares	Baht
Authorised				
At 1 January				
- ordinary shares	1	4,500	4,500	4,500
Reduction of shares	1	(7)	-	-
Issue of shares	1	4,493	-	-
At 30 September				
- ordinary shares	1	8,986	4,500	4,500
Issued and paid-up				
At 1 January				
- ordinary shares	1	4,493	4,493	4,493
Issue of shares	1	4,490	-	-
At 30 September				
- ordinary shares	1	8,983	4,493	4,493

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved:

- (a) To decrease the Company's authorised share capital from Baht 4,500 million (4,500,000,000 shares at Baht 1 par value) to Baht 4,493 million (4,493,148,024 shares at Baht 1 par value) by cancellation the remaining registered ordinary shares from the stock dividend allocation and from the stock issued to support the exercising of the rights under ESOP totaling 6,851,976 shares with a par value of Baht 1 per share. The Company registered the reduction of the authorised share capital with the Ministry of Commerce on 3 May 2012.
- (b) To increase the Company's authorised share capital from Baht 4,493 million (4,493,148,024 shares at Baht 1 par value) (after reduction the above registered capital) to Baht 8,986 million (8,986,296,048 shares at Baht 1 par value) by the issuance of 4,493,148,024 new common shares at a ratio of 1 existing share to 1 stock dividend with a par value of Baht 1 per share to support the stock dividend payment. However, some shareholders did not have right to receive this allocation of new shares totally 3,194,700 shares which was equal to Baht 3,194,700. Thus, the Company had the issued and paid-up share capital of Baht 8,983 million (8,983,101,348 shares). The Company registered the increase of share capital and registered the issued and paid-up share capital with the Ministry of Commerce on 4 and 15 May 2012, respectively.

11 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.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved to appropriate from retained earnings for additional legal reserve an amount of Baht 450 million, thereby increasing the legal reserve from Baht 450 million to legal reserve of Baht 900 million which is 10% of the Company's authorised share capital.

12 Segment information

Segment information is presented in respect of the Group's business and geographic segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

- Segment 1: Convenience stores
- Segment 2: Others

The other's segment comprises principally of bill payment services, frozen food plant and bakery, and distribution of retailing equipment.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Geographic segments

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers.

The Group comprises the following main geographic segments:

Segment 1: Thailand
 Segment 2: Others

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2012 and 2011 were as follows:

	Consolidated financial statements			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Segment revenue				
Convenience stores	47,446	39,075	134,335	113,685
Others	4,398	3,796	12,080	10,172
Eliminations	(3,340)	(2,825)	(9,282)	(7,657)
Total	48,504	40,046	137,133	116,200
Segment results (profit for the period)				
Convenience stores	2,452	1,774	7,600	5,861
Others	461	435	1,246	999
Eliminations	8	(34)	(560)	(427)
Total	2,921	2,175	8,286	6,433

Revenue and results, based on geographic segment, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2012 and 2011 were as follows:

	For the three-month period ended 30 September					
	Thailand		Others		Total	
	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>					
Revenue from sale of goods and rendering of services from external customers	48,504	40,046	-	-	48,504	40,046
Results (profit for the period)	2,860	2,124	61	51	2,921	2,175
	For the nine-month period ended 30 September					
	Thailand		Others		Total	
	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>					
Revenue from sale of goods and rendering of services from external customers	137,133	116,200	-	-	137,133	116,200
Results (profit for the period)	8,233	6,282	53	151	8,286	6,433

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

13 Income tax expense

The current tax expense in the consolidated and separate statements of income for the three-month and nine-month periods ended 30 September 2012 and 2011 was lower than the amount determined by applying the applicable income tax rates to the profit for the period principally because of the different treatment for accounting and taxation purposes of certain items of income and expense, in particular, income not subject to tax and expenses that are deductible at a greater amount for tax purpose under the conditions promulgated by the Revenue Department.

The Group's consolidated income tax rate for the three-month and nine-month periods ended 30 September 2012 was 23% (30 September 2011: 30%). This change in income tax rate was caused mainly by reduction in the corporate income tax rate for 2012 and subsequent years pursuant to the Royal Decree No. 530 B.E. 2554 dated 21 December 2011.

14 Basic earnings per share

During the year of 2012, the Company issued the stock dividend (as set out in note 15 to the interim financial statements). The Company has restated the number of weighted average ordinary shares used in the computation of basic earnings per share for the three-month and nine-month periods ended 30 September 2011 from 4,493,148,024 shares to 8,983,101,348 shares by adjusting to give effect to the stock dividends granted to the existing shareholders at a ratio of 1 existing share to 1 stock dividend assuming the stock dividends occurred on 1 January 2011. As a result, the basic earnings per share of the consolidated financial statements for the three-month period ended 30 September 2011 was changed from Baht 0.48 per share to Baht 0.24 per share and for the nine-month period ended 30 September 2011 was changed from Baht 1.43 per share to Baht 0.72 per share and the basic earnings per share of the separate financial statements for the three-month period ended 30 September 2011 was changed from Baht 0.39 per share to Baht 0.20 per share and for the nine-month period ended 30 September 2011 was changed from Baht 1.30 per share to Baht 0.65 per share. This was made in order to reflect the change in numbers of all issued common shares.

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2012 and 2011 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

<i>For the three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	2,902	2,173	2,452	1,774
Weighted average number of ordinary shares outstanding during the period	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	0.32	0.24	0.27	0.20

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>For the nine-month period ended 30 September</i>				
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>8,261</u>	<u>6,427</u>	<u>7,600</u>	<u>5,861</u>
Weighted average number of ordinary shares outstanding during the period	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.92</u>	<u>0.72</u>	<u>0.85</u>	<u>0.65</u>

15 Dividends

At the annual general meeting of the shareholders of the Company held on 22 April 2011, the Company's shareholders approved the appropriation of 2010 annual dividends of Baht 1.40 per share for 4,493,148,024 ordinary shares, totaling Baht 6,290 million, from the profit attributable to equity holders of the Company for the year 2010. The 2010 annual dividend declaration of Baht 1.40 per share included the 2010 interim cash dividends of Baht 0.40 per share (total sum of Baht 1,797 million), which was declared by the Company's board of directors on 9 November 2010. The Company paid the remaining of cash dividends of Baht 1 per share (total sum of Baht 4,493 million) to the Company's shareholders on 19 May 2011.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved the appropriation of 2011 annual cash dividend payment of Baht 1.25 per share for 4,493,148,024 ordinary shares, totaling Baht 5,617 million and stock dividend payment at a ratio of 1 existing share to 1 stock dividend for 4,493,148,024 ordinary shares, totaling stock dividend 4,493,148,024 shares with a par value of Baht 1 per share, amounting to Baht 4,493 million (dividend payment rate at 1 Baht per 1 share), from the profit attributable to equity holders of the Company for the year 2011. The said stock and cash dividend have been paid to the Company's shareholders on 18 and 21 May 2012, respectively.

16 Supplemental disclosures of cash flows information

Property, plant and equipment purchased during the nine-month periods ended 30 September 2012 and 2011 were detailed as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
Increase during the period	7	5,967	4,335	4,888	3,812
Less - payables		(276)	65	(166)	(6)
- transfer from assets under construction and installation		<u>(1,484)</u>	<u>(1,266)</u>	<u>(1,288)</u>	<u>(1,140)</u>
Purchase and paid by cash		<u>4,207</u>	<u>3,134</u>	<u>3,434</u>	<u>2,666</u>

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

17 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Contracted but not provided for (construction cost of new plants and installation cost of machinery and cost of computer system development)	859	31	-	-

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Within one year	4,163	3,424	4,137	3,399
After one year but within five years	7,236	5,436	7,134	5,391
After five years	1	2	-	-
Total	11,400	8,862	11,271	8,790

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 15 years, which will expire between 2012 to 2020.

Other commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	53	61	-	-

Letters of guarantee

As at 30 September 2012, a local subsidiary, Thai Smart Card Co., Ltd., had a commitment under letter of guarantee issued, on behalf of the subsidiary, by a local financial institution, in favor of a supplier amounting to U.S. Dollars 0.3 million. (31 December 2011: U.S.Dollars 0.3 million).

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

Significant agreements

As at 30 September 2012 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 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 deposits rates announced by a local financial institution. These deposits will be refunded to the licensees upon the termination of 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 as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.
- (d) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies 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 June 2016. 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.
- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses) and with other local companies (e.g., hire purchase, life insurance premium). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the government entities, state enterprises and local companies, then remits funds to the government entities, state enterprises and local companies. 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 February 2016. 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.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2012 (Unaudited)

- (f) A local subsidiary, Gosoft (Thailand) Co., Ltd., has service agreements with local companies, 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 as stipulated in the agreements. These agreements are effective for periods over 81 days to 12 months, and will expire on various dates until December 2012.

- (g) A local subsidiary, Retailink (Thailand) Co., Ltd., has repair and maintenance management service agreements with local companies, 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 local companies 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.