

AFF013/2010

May 11, 2010

Re: Notification of the Resolutions of the Board of Directors' Meeting No. 3/2010

To: The President
The Stock Exchange of Thailand

The Board of Directors' Meeting of CP All Public Company Limited (CPALL or the Company) has resolved in the meeting No. 3/2010 held on May 11, 2010, at 2:00-4:00 p.m. at the True Tower Board Room, 34th Floor, True Tower, 18 Ratchadapisek Road, Huai Khwang, Bangkok. After such consideration, CPALL would like to inform on the approval of material matters as follows:

1. Approved the interim financial statement for the period ended March 31, 2010
2. The Board of Directors acknowledged the resolution of the Annual General Meeting (AGM) of shareholders for the year 2010 on April 28, 2010 that the Agenda of the entering into connected transactions regarding the assets relating to the investment in the convertible bond (CB) issued by Chia Tai Enterprises International Limited (CTEI) was not approved.

In addition, the management reported to the Board of Directors that in case of the foreign institutional investors who voted "For" this transaction but the submission of the proxy vote could not meet a local custodian's dateline, upon such case including no explicit intention, the custodian practice will technically vote the transaction as Abstained". The Board of Directors opined that the resolution was not passed due in part from technical matters. As well as, taking shareholders' comment from the AGM into consideration, the transaction has been re-proposed for shareholders' approval.

Consequently, for the benefit of the Company and shareholders as a whole, the Board of Directors approved the entering into connected transactions regarding the changes of investment in the convertible bond (CB) issued by Chia Tai Enterprises International Limited (CTEI) within the third quarter of 2010 on (1) changes of investment from the convertible bond (CB) issued by Chia Tai Enterprises International Limited (CTEI), which can be converted into CTEI ordinary shares, held by CPALL and Lotus Distribution Investment Limited (LDI), a subsidiary of CPALL, collectively referred to as "investment in CB", into the investment in convertible preferred shares (CPS), which can be converted into CTEI ordinary shares; and (2) the entering into sales agreement of CPS for 100% of the total issued CPS held by CPALL and LDI to Charoen Pokphand Group Company Limited (CPG) or the person designated by CPG; whereof, CPG has designated C.P. Holding (BVI) Investment Company Limited (CPH) as the person to enter this agreement. Details of these transactions are summarized as follows:

- 2.1 Regarding the changes of investment in CB issued by CTEI which can be converted into CTEI ordinary shares, CPALL and LDI will redeem all the CB in a total face value amounted HKD 1,519.9 million (approximately Baht 6,400 million) according to the stipulated terms and conditions; in addition, CTEI will

issue convertible preferred shares (CPS), which can be converted into CTEI ordinary shares, for 3,897,110,334 shares to CPALL and LDI with more details in Appendix 1;

2.2 In subsequent to the acquisition of CPS from CTEI under item 2.1, CPALL and LDI will enter into the sales agreement on CTEI's CPS for 3,897,110,334 shares or no more than 100% of the total issued CPS to CPH. Under such an agreement, CPALL and LDI have the right to sell (put option) CTEI's CPS to CPH within 180 days from the date of transaction but no later than September 30, 2010 with the exercise price of 90% of CTEI's weighted average share price for the last 30 trading days (January 22, 2010 – March 8, 2010) or equivalent to HKD 0.248 per share. The consideration for CPS will be in cash amounted HKD 966.5 million (approximately no more than Baht 4,100 million).

Concurrently, CPH will enter into the purchase agreement on CTEI's CPS from CPALL and LDI for 1,948,555,167 shares or no more than 50% of the total issued CPS held by CPALL and LDI. Under such an agreement, CPH has the right to buy (call option) CTEI's CPS from CPALL and LDI within 180 days from the date of transaction but no later than September 30, 2010 with the exercise price of 100% of CTEI's weighted average share price for the last 30 trading days (January 22, 2010 – March 8, 2010) or equivalent to HKD 0.276 per share. The consideration for CPS will be in cash amounted HKD 537.8 million (approximately no more than Baht 2,300 million).

Remarks: For the purpose of this announcement, the following exchange rates have been used for the various foreign exchange rate conversions. The average buying rate quoted by commercial banks as of May 7, 2010 (HKD 1.00 = Baht 4.14).

In addition, the Board of Directors agrees in principles to allow CPALL and LDI exercising the put option immediately in full to CPH if either of the following events has occurred: (a) at any time during the exercise period, the closing price of the CTEI shares as quoted on the Stock Exchange is less than or equal to HKD 0.248 (as adjusted for stock splits, stock combination, stock dividends, reclassifications and similar corporate actions) on at least 15 consecutive trading days; or (b) the average of the closing price of the CTEI shares as quoted on the Stock Exchange is less than or equal to HKD 0.248 (as adjusted for stock splits, stock combination, stock dividends, reclassifications and similar corporate actions) on not less than 20 consecutive trading days.

The aforementioned transactions will be proposed for further shareholders' approval.

3. The Board of Directors approved CPALL and LDI to exercise the right to sell (put option) CTEI's CPS at 100% of the total issued CPS of 3,897,110,334 shares to CPH immediately after receiving CTEI's CPS at the exercise price of HKD 0.248 per share regardless of CTEI market price consideration. The consideration for CPS will be in cash amounted HKD 966.5 million (approximately Baht 4,100 million) in the case that the shareholders require immediate liquidity on the investment and lower risk exposure to price volatility of CTEI shares in the future. The aforementioned transactions will be proposed for further shareholders' approval.

The transaction under item 2.1 above is considered as an acquisition and the transactions under item 2.2 and item 3 are considered as a disposition of the Company's assets in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (as amended); the size of the transactions are 14.0% and 9.0% and 9.0% respectively, which is less than 50 percent; as a result, these three transactions are not required to be further considered and approved in the Extraordinary General Meeting of Shareholders, according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (as amended). In addition, the above transactions under item 2.1 and 2.2 and item 3 are considered to be connected transactions, relating to assets or services, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Connected Transaction, 2003 (as amended); the combined size of the above items is 32.9%, which is greater than 3% of net tangible assets (NTA = Baht 19,427.57 million) of the latest consolidated financial statements of CPALL and its subsidiaries for the period ended March 31, 2010; therefore, it is required to propose this transaction into the Extraordinary General Meeting of Shareholders No. 1/2010 for further consideration and approval, according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Connected Transaction, 2003 (as amended).

4. Approved the appointment of Tisco Securities Company Limited to be an independent financial advisor to provide the opinion of connected transactions in relation to reasonableness and benefits of connected transactions and fairness of price and conditions of connected transactions in item 2. and 3.

5. Approved the schedule of the Extraordinary General Meeting (EGM) of Shareholders No.1/2010 on June 29, 2010 at 2.00 p.m. at the conference room 1111 AB, 11th Floor, C.P. Tower, 313 Silom Road, Silom, Bangrak, Bangkok. The record date of share register book for the right to attend the EGM No. 1/2010 will be on May 25, 2010, and the book closing date on which shareholders list will be compiled as specified in section 225 of Securities and Exchange Act will be on May 26, 2010. The meeting agenda is as follows:

Agenda 1 To consider and certify the Minutes of the Annual General Meeting of Shareholders for the year 2010;

Agenda 2 To consider and approve the entering into the changes of investment in convertible bonds (CB) issued by CTEI held by CPALL and LDI to investment in convertible preferred share (CPS) issued by CTEI and concurrently entering into the put option/call option agreement of CTEI's CPS with C.P.Holding (BVI) Investment Company Limited (CPH);

Agenda 3 To consider and approve CPALL and LDI to exercise the right to sell (put option) CTEI's CPS in whole to CPH immediately after receiving CPS.

Since the transactions to be considered of agenda 2 and agenda 3 are relating; therefore, for consideration and approval of agenda 3, it will be subject to the approval of the shareholders' resolution of agenda 2. In case that agenda 2 has not been approved, there will be no further consideration of agenda 3.

In case that agenda 2 approved but agenda 3 not been approved by the shareholders, the Board of Directors will remain an authority to negotiate, specify the terms and conditions, and sign the contract and/or memorandum of understanding and other documents in relation to the changes of investment in CB and the exercising of the right to sell (put option) CPS as well as to have authority to assign management to execute such transaction.

Agenda 4 Other business (if any).

In addition, the Board of Directors Meeting has authorized Mr. Korsak Chairasmisak and Mr. Umroong Sanphasitvong to do any acts and things in relation to the convening and holding of the Extraordinary General Meeting of Shareholders No. 1/2010, including to amend and/ or add to the agenda of the Extraordinary General Meeting of Shareholders No. 1/2010, and/ or change the timing or place of such meeting, as well as to change the record date and the book closing date on which shareholders list will be compiled as specified in section 225 of Securities and Exchange Act.

Please be informed accordingly.

Sincerely yours,

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

Appendix 1
CP ALL Public Company Limited
Disclosure of Connected Transaction Regarding the Investment in
Convertible Bond of the Company

1 Transaction date:

Within the third quarter of 2010

2 Contractual parties:

Transaction 1 The issuance of CTEI convertible preferred shares (CPS) in exchange with convertible bond (CB) held by CPALL and LDI

Chia Tai Enterprises International Limited (CTEI) CPS issuer to exchange with CB

CPALL and LDI (a wholly owned subsidiary of CPALL) CPS recipient and CB holders

Transaction 2 The entering into the put option/call option agreement of CPS

C.P.Holding (BVI) Investment Company Limited (CPH) CPS's call option holder

CPALL and LDI (a wholly owned subsidiary of CPALL) CPS's put option holder

Transaction 3 The exercising of the right to sell (put option) CTEI's CPS

C.P.Holding (BVI) Investment Company Limited (CPH) CPS's call option holder

CPALL and LDI (a wholly owned subsidiary of CPALL) CPS's put option holder

Relationship among contractual parties

- 1) CPG is the major shareholder of CPALL which directly and indirectly holds 45.30% of total paid-up shares in CPALL as at the date of closing share register book (March 30, 2010).
- 2) CPG is the major shareholder of CTEI which indirectly holds through CPH 75% of total paid-up shares in CTEI. CPG indirectly holds 100% of total paid-up shares in CPH (as at December 30, 2009).

3 General Characteristics of the Transaction:

Transaction 1 The issuance of CTEI convertible preferred shares (CPS) in exchange with convertible bond (CB) held by CPALL and LDI

Regarding the changes of investment in CB which was issued by CTEI, CPALL and LDI will redeem all the CB in a total face value amounted HKD 1,519.9 million (approximately Baht 6,400 million) according to the stipulated terms and conditions; in addition, CTEI will issue CPS, which can be converted into CTEI ordinary shares, for 3,897,110,334 shares according to the same conversion price as CB of HKD 0.39 per share to CPALL and LDI.

Summarized terms and conditions of CPS will be as follows:

Number of shares	3,897,110,334 shares
Par value per share	HKD 0.02
Maturity/redemption	Indefinite/non-redeemable
Voting rights	Ineligible
Dividend rights	Pari passu with CTEI ordinary shares
Conversion	CPS can be converted into CTEI ordinary shares at the ratio of 1:1
Governing law	Laws of Hong Kong

Transaction 2 The entering into the put option/call option agreement of CPS

In subsequent to the acquisition of CPS from CTEI under Transaction 1, CPALL, LDI and CPH will enter into the put option/call option agreement on CTEI's CPS; hereby, CPALL and LDI are granted the put option on CPS up to 3,897,110,334 shares (or up to 100% of the total issued CPS held by CPALL and LDI) to CPH within 180 days from the date of transaction but no later than September 30, 2010 with the exercise price of 90% of CTEI's weighted average share price over the last 30 trading days (January 22, 2010 – March 8, 2010) or equivalent to HKD 0.248 per share. The consideration for CPS upon the exercise of put option in whole will be in cash amounted HKD 966.5 million (approximately no more than Baht 4,100 million).

Concurrently, CPH is granted the call option on CPS up to 1,948,555,167 shares (or up to 50% of the total issued CPS held by CPALL and LDI) from LDI within 180 days from the date of transaction but no later than September 30, 2010 with the exercise price of 100% of CTEI's weighted average share price over the last 30 trading days (January 22, 2010 – March 8, 2010) or equivalent to HKD 0.276 per share. The consideration for CPS upon the exercise of call option in whole will be in cash amounted HKD 537.8 million (approximately no more than Baht 2,300 million).

In addition, the Board of Directors agrees in principles to allow CPALL and LDI exercising the put option immediately in full to CPH if either of the following events has occurred: (a) at any time during the exercise period, the closing price of the CTEI shares as quoted on the Stock Exchange is less than or equal to HKD 0.248 (as adjusted for stock splits, stock combination, stock dividends, reclassifications and similar corporate actions) on at least 15 consecutive trading days; or (b) the average of the closing price of the CTEI shares as quoted on the Stock Exchange is less than or equal to HKD 0.248 (as adjusted for stock

splits, stock combination, stock dividends, reclassifications and similar corporate actions) on not less than 20 consecutive trading days.

Transaction 3 The exercising of the right to sell (put option) CTEI's CPS

After CPALL and LDI receive CTEI's CPS of 3,897,110,334 shares, CPALL and LDI will immediately exercise the right to sell (put option) of CTEI's CPS in whole to CPH regardless of CTEI market price consideration with the exercise price of 90% of CTEI's weighted average share price over the last 30 trading days (January 22, 2010 – March 8, 2010) or equivalent to HKD 0.248 per share. The consideration for CPS upon the exercise of put option in whole will be in cash amounted HKD 966.5 million (approximately Baht 4,100 million).

4 General Information on the Assets Acquired and Disposed:

CPALL and LDI will acquire the CPS from CTEI from the exchange of investment in CB issued by CTEI, and will enter into the put option/call option agreement of CTEI's CPS with CPH.

The general information of CTEI is as follows:

CTEI was registered under the laws of the Cayman Islands and CTEI stock was listed to trade on the Stock Exchange of Hong Kong Limited with current authorized share capital of HKD 480,000,000 and current paid-up capital of 10,703,221,485 shares consisting of ordinary shares of 9,184,414,410 shares with a par value of HKD 0.02 and preference shares of 1,518,807,075 shares with a par value of HKD 0.02.

CTEI is held by CPG through CPH, which is a wholly owned subsidiary of CPG, holds 75.0% and the remaining 25.0% is held by minority shareholders. At the end of 2009, CTEI operates hypermarket business namely Lotus Supercenter in the northern, central, and southern part of the People's Republic of China.

The Board of Directors of CTEI as at April 30, 2010 is as follows:

1. Mr. Dhanin Chearavanont
2. Mr. Soopakij Chearavanont
3. Mr. Narong Chearavanont
4. Mr. Tse Ping
5. Mr. Michael Ross
6. Mr. Yang Xiaoping
7. Mr. Li Wen Hai
8. Mr. Umroong Sanphasitvong
9. Mr. Zheng Mengyin
10. Mr. Robert Ping-Hsien Ho
11. Mr. Meth Jiaravanont
12. Mr. Nopadol Chiaravanont
13. Mr. Chatchaval Jiaravanon
14. Mr. Supachai Chearavanont
15. Mr. Kachorn Chiaravanont

16. Mr. Viroj Sangsrit
17. Mr. Chokchai Kotikula; and
18. Mr. Cheng Yuk Wo

Important financial information of CTEI for the fiscal year ended December 31, 2008 and 2009, as disclosed in the audited financial statement, is as follows:

Unit: Million HKD	FY2008	FY2009
Revenue	6,277.1	9,967.4
Net profit (loss)	(45.6)	(267.5)
Total assets	8,445.8	7,960.3
Total liabilities	8,006.4	7,807.1
Shareholders' equity	439.3	153.2

Source: CTEI Annual Report 2009

5 Criteria Used in Determining Total Transaction Value:

The total transaction value is based on the negotiation between contractual parties.

6 Transaction Size:

The size of the connected transaction is 32.9%, which is greater than 3% of net tangible assets (NTA = Baht 19,427.57 million) of the latest consolidated financial statement of CPALL and its subsidiaries for the period ended March 31, 2010.

7 Details of Connected Person and the Nature and Scope of Interest of Connected Person:

CPALL, LDI CTEI and CPH have the same ultimate common major shareholder, which is CPG. (Please refer details on the nature and scope of interest of connected person in items 2 and 4).

8 Benefits From Entering into the Transactions

8.1 Benefits From Changes of Investment in Convertible Bond into Convertible Preferred Shares and the Entering into the Put Option/Call Option Agreement of CPS:

From the changes of investment in convertible bond into convertible preferred shares, CTEI can improve its financial position. The terms and conditions upon entering into the put option/call option agreement of CPS among CPALL, LDI and CPH will create more liquidity on the investment, and the put option on CPS for the Company provides the downside protection on CTEI's share price. In addition, CPALL has the potential gain of holding CPS upon CTEI's share price increases.

8.2 Benefits from Exercising the Right to Sell (Put Option) CTEI's CPS:

The exercising of the right to sell (put option) CPS in whole immediately after CPALL and LDI receive CTEI's CPS will create more liquidity on the investment and lower risk exposure to price volatility of CTEI shares should the options expire without exercising in which the long stop date is September 30, 2010.

9 Names of Directors Who Have an Interest and/or Directors Who Are Connected Persons:

Mr. Dhanin Chearavanont, Mr. Korsak Chairasmisak, Mr. Soopakij Chearavanont, Mr. Umroong Sanphasitvong, Mr. Prasert Jarupanich and Mr. Narong Chearavanont, who are the directors who have interests and/or directors who are connected person, did not attend the Board Meeting and has no right to vote for this connected transaction.

10 Opinion of the Board of Directors:

The Meeting of the Board of Directors of CPALL (excluding directors who have interests as stated in item 9), in which the audit committee and directors with no interest in the transaction attended, has considered that the transactions are reasonable and of benefit to the business of CPALL and in the interests of the shareholders as a whole.

11 Opinion of the Audit Committee and/or Directors Which is Different From the Opinion of the Board of Directors under Item 10:

The Audit Committee has considered that all opinions are in accordance with the opinion of the Board of Directors.

12 Actions to be Taken:

The transactions are considered as connected transactions in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand 2003 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions (as amended). The Company's duties are to disclose the entering into a connected transaction to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand and to perform other related actions which include:

1. The Company will propose these transactions to the Extraordinary General Meeting of Shareholders No. 1/2010 for further consideration and approval. A resolution of the Shareholder's Meeting to approve this entering into the connected transactions must be passed by three-fourths of total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders or connected persons.

13 Dissemination of the Notice of the Shareholders' Meeting:

CPALL will send a Notice of the Extraordinary General Meeting of Shareholders No. 1/2010 and the opinion of the independent financial advisor to the Securities and Exchange Commission and the Stock Exchange of Thailand at least 5 business days before sending it to the shareholders, and will send such notice together with the opinion of the independent financial advisor to the shareholders no less than 14 days prior to the date of the Extraordinary General Meeting of Shareholders.