

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

Financial statements for the year ended  
31 December 2014  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of CP ALL Public Company Limited**

I have audited the accompanying consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Consolidated and Separate Financial Statements*

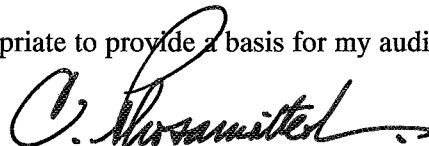
Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

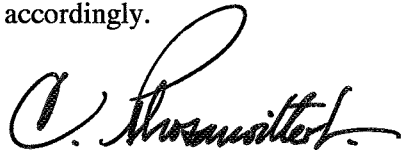


*Opinion*

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 31 December 2014 and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

*Emphasis of Matter*

Without qualifying my opinion, I draw attention to note 5 to the financial statements. Following the completion of a business combination through the purchase of shares and a tender offer on 26 June 2013 and 5 August 2013 respectively, the Company has updated the fair values of the identifiable assets acquired and liabilities assumed based upon the final appraisal report dated 23 April 2014 from the independent appraiser and other relevant information obtained within one year from the business combination date. As a result, the consolidated statement of financial position as at 31 December 2013 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended have been restated accordingly.



(Charoen Phosamritlert)  
Certified Public Accountant  
Registration No. 4068

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 February 2015

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

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	7	32,204,375,266	24,632,252,846	24,864,029,536	15,642,314,092
Current investments	8	1,232,027,252	1,050,000,000	-	-
Trade accounts receivable	6, 9	910,175,819	848,215,281	122,046,848	119,443,847
Other accounts receivable	6, 10	1,807,624,358	1,576,451,052	2,008,534,458	1,980,311,300
Inventories	6, 11	22,167,148,169	19,915,860,237	10,242,335,111	9,219,368,431
Other current assets	6, 12	6,362,797,736	5,939,798,244	4,215,346,398	4,024,186,981
<b>Total current assets</b>		<b>64,684,148,600</b>	<b>53,962,577,660</b>	<b>41,452,292,351</b>	<b>30,985,624,651</b>
<b>Non-current assets</b>					
Investments in subsidiaries	13	-	-	202,237,831,465	202,207,831,495
Investment in related company	6	24,000,000	24,000,000	24,000,000	24,000,000
Other long-term investments	8	100,411,582	101,111,582	100,000,000	100,700,000
Long-term loans to subsidiary	6	-	-	-	1,600,000,000
Investment properties		333,200,009	333,200,009	-	-
Property, plant and equipment	6, 14	80,201,060,850	71,272,531,129	20,035,595,027	18,342,901,333
Goodwill	15	126,072,806,116	126,072,806,116	-	-
Leasehold rights		2,650,672,332	1,952,614,502	395,298,832	381,943,527
Other intangible assets	6, 16	49,665,430,652	48,329,610,936	709,706,380	633,987,163
Deferred tax assets	17	662,235,733	344,285,897	280,788,487	54,538,987
Other non-current assets	6, 18	2,016,079,472	1,614,872,920	1,948,094,217	1,797,633,339
<b>Total non-current assets</b>		<b>261,725,896,746</b>	<b>250,045,033,091</b>	<b>225,731,314,408</b>	<b>225,143,535,844</b>
<b>Total assets</b>		<b>326,410,045,346</b>	<b>304,007,610,751</b>	<b>267,183,606,759</b>	<b>256,129,160,495</b>

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

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

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
<b>Liabilities and equity</b>		31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013
<i>(in Baht)</i>					
<b><i>Current liabilities</i></b>					
Overdrafts and short-term borrowings from financial institutions	19	14,726,390,374	135,143,340,850	11,000,000,000	131,976,630,807
Trade accounts payable	6, 20	59,311,725,850	54,734,077,697	31,215,968,596	27,618,149,223
Other accounts payable	6, 21	3,518,817,433	2,976,465,596	8,156,611,198	10,412,533,460
Short-term borrowings from subsidiary	6, 19	-	-	-	2,359,177,040
Current portion of finance lease liabilities	19	60,800,249	27,870,154	-	-
Current portion of long-term borrowings from financial institutions	19	4,914,000,000	-	4,914,000,000	-
Income tax payable		793,053,475	633,641,151	1,438,738	-
Other current liabilities	22	8,690,013,447	7,282,882,031	5,574,027,246	4,538,995,687
<b>Total current liabilities</b>		<b>92,014,800,828</b>	<b>200,798,277,479</b>	<b>60,862,045,778</b>	<b>176,905,486,217</b>
<b><i>Non-current liabilities</i></b>					
Debentures	19	140,000,000,000	50,000,000,000	140,000,000,000	50,000,000,000
Long-term borrowings from financial institutions	19	38,301,130,600	-	36,301,130,600	-
Finance lease liabilities	19	477,979,201	165,512,440	-	-
Employee benefit obligations	23	1,709,914,329	1,485,751,564	926,627,894	818,561,944
Accrued guarantee deposits	24	3,270,768,879	3,174,332,398	3,153,744,359	3,057,952,533
Deferred tax liabilities	17	15,304,180,789	15,379,416,242	-	-
Other non-current liabilities		273,430,198	34,181,250	-	-
<b>Total non-current liabilities</b>		<b>199,337,403,996</b>	<b>70,239,193,894</b>	<b>180,381,502,853</b>	<b>53,876,514,477</b>
<b>Total liabilities</b>		<b>291,352,204,824</b>	<b>271,037,471,373</b>	<b>241,243,548,631</b>	<b>230,782,000,694</b>

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

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

<b>Liabilities and equity (Continued)</b>	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013
<i>(in Baht)</i>					
<b>Equity</b>					
Share capital	25				
Authorised share capital		8,986,296,048	8,986,296,048	8,986,296,048	8,986,296,048
Issued and paid-up share capital		8,983,101,348	8,983,101,348	8,983,101,348	8,983,101,348
Additional paid-in capital	25				
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Retained earnings					
Appropriated					
Legal reserve	26	900,000,000	900,000,000	900,000,000	900,000,000
Unappropriated		20,532,100,190	18,463,123,288	14,372,639,901	13,779,741,574
Other components of equity		(1,317,311,940)	(1,283,669,155)	-	-
<b>Equity attributable to equity</b>					
<b>holders of the Company</b>		<b>30,782,206,477</b>	<b>28,746,872,360</b>	<b>25,940,058,128</b>	<b>25,347,159,801</b>
Non-controlling interests		4,275,634,045	4,223,267,018	-	-
<b>Total equity</b>		<b>35,057,840,522</b>	<b>32,970,139,378</b>	<b>25,940,058,128</b>	<b>25,347,159,801</b>
<b>Total liabilities and equity</b>		<b>326,410,045,346</b>	<b>304,007,610,751</b>	<b>267,183,606,759</b>	<b>256,129,160,495</b>

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2014	2013 (Restated)	2014	2013
		<i>(in Baht)</i>			
<b>Income</b>	6				
Revenue from sale of goods and rendering of services		357,766,357,733	272,285,532,785	210,775,640,576	201,669,012,106
Interest income		237,823,860	478,041,786	193,471,289	372,924,280
Dividend income		107,456	476,696	4,540,678,761	3,494,980,112
Net foreign exchange gain		376,979,981	-	437,246,917	-
Gain on changes in fair value of investment	5	-	71,702,031	-	-
Other income	28	12,919,806,802	11,834,536,291	13,048,909,577	11,958,007,887
<b>Total Income</b>		<b>371,301,075,832</b>	<b>284,670,289,589</b>	<b>228,995,947,120</b>	<b>217,494,924,385</b>
<b>Expenses</b>	6				
Cost of sale of goods and rendering of services	11	281,443,425,134	210,656,757,733	152,393,558,467	148,728,274,723
Selling expenses	11, 29	56,163,247,889	46,593,982,044	48,139,454,752	43,344,802,811
Administrative expenses	30	12,645,980,503	11,790,396,267	10,756,171,689	10,986,511,713
Net foreign exchange loss		-	569,653,792	-	607,094,360
Finance costs	33	8,518,494,735	2,214,030,392	8,355,306,998	2,179,436,410
<b>Total expenses</b>		<b>358,771,148,261</b>	<b>271,824,820,228</b>	<b>219,644,491,906</b>	<b>205,846,120,017</b>
<b>Profit before income tax expense</b>		<b>12,529,927,571</b>	<b>12,845,469,361</b>	<b>9,351,455,214</b>	<b>11,648,804,368</b>
Income tax expense	34	2,257,591,637	2,254,515,449	673,765,674	1,389,195,165
<b>Profit for the year</b>		<b>10,272,335,934</b>	<b>10,590,953,912</b>	<b>8,677,689,540</b>	<b>10,259,609,203</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		10,153,768,115	10,502,914,121	8,677,689,540	10,259,609,203
Non-controlling interests		118,567,819	88,039,791	-	-
<b>Profit for the year</b>		<b>10,272,335,934</b>	<b>10,590,953,912</b>	<b>8,677,689,540</b>	<b>10,259,609,203</b>
<b>Basic earnings per share</b>	36	<b>1.13</b>	<b>1.17</b>	<b>0.97</b>	<b>1.14</b>

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2014	2013	2014	2013
		(Restated)		
	<i>(in Baht)</i>			
<b>Profit for the year</b>	<b>10,272,335,934</b>	<b>10,590,953,912</b>	<b>8,677,689,540</b>	<b>10,259,609,203</b>
<b>Other comprehensive income</b>				
Currency translation differences	(33,633,781)	370,765,212	-	-
<b>Other comprehensive income for the year</b>	<b>(33,633,781)</b>	<b>370,765,212</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>10,238,702,153</b>	<b>10,961,719,124</b>	<b>8,677,689,540</b>	<b>10,259,609,203</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	10,120,125,330	10,873,679,333	8,677,689,540	10,259,609,203
Non-controlling interests	118,576,823	88,039,791	-	-
<b>Total comprehensive income for the year</b>	<b>10,238,702,153</b>	<b>10,961,719,124</b>	<b>8,677,689,540</b>	<b>10,259,609,203</b>

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



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

**Statement of changes in equity**

		<b>Consolidated financial statements (Restated)</b>										
		Retained earnings			Other components of equity			Equity	Non-	Total		
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences	Differences on acquisition of non-controlling interests	Total other components of equity	attributable to equity holders of the Company	controlling interests	equity		
<i>(in Baht)</i>												
For the year ended 31 December 2014												
<b>Balance at 1 January 2014</b>												
	<b>- as previously reported</b>	<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>18,497,197,993</b>	<b>(141,083,530)</b>	<b>(1,142,585,625)</b>	<b>(1,283,669,155)</b>	<b>28,780,947,065</b>	<b>4,226,479,162</b>	<b>33,007,426,227</b>	
	Updated information from the business combination	5	-	-	-	(34,074,705)	-	-	-	(34,074,705)	(3,212,144)	(37,286,849)
	<b>Balance at 1 January 2014 - restated</b>	<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>18,463,123,288</b>	<b>(141,083,530)</b>	<b>(1,142,585,625)</b>	<b>(1,283,669,155)</b>	<b>28,746,872,360</b>	<b>4,223,267,018</b>	<b>32,970,139,378</b>	
<b>Transactions with equity holders, recorded directly in equity</b>												
<i>Distributions to equity holders</i>												
	Issue of ordinary shares	-	-	-	-	-	-	-	-	30	30	
	Dividends	37	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(66,209,826)	(8,151,001,039)	
	<b>Total transactions with equity holders, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,084,791,213)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,084,791,213)</b>	<b>(66,209,796)</b>	<b>(8,151,001,009)</b>	
<b>Comprehensive income for the year</b>												
	Profit	-	-	-	10,153,768,115	-	-	-	10,153,768,115	118,567,819	10,272,335,934	
	Other comprehensive income	-	-	-	-	(33,642,785)	-	(33,642,785)	(33,642,785)	9,004	(33,633,781)	
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,153,768,115</b>	<b>(33,642,785)</b>	<b>-</b>	<b>(33,642,785)</b>	<b>10,120,125,330</b>	<b>118,576,823</b>	<b>10,238,702,153</b>	
	<b>Balance at 31 December 2014</b>	<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>20,532,100,190</b>	<b>(174,726,315)</b>	<b>(1,142,585,625)</b>	<b>(1,317,311,940)</b>	<b>30,782,206,477</b>	<b>4,275,634,045</b>	<b>35,057,840,522</b>	

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

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

**Statement of changes in equity**

		Consolidated financial statements (Restated)								
		Retained earnings			Other components of equity			Equity		Total
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences	Differences on acquisition of non-controlling interests	Total other components of equity	attributable to equity holders of the Company	Non-controlling interests	equity
<i>(in Baht)</i>										
For the year ended 31 December 2013										
	<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>16,045,000,380</b>	<b>(511,848,742)</b>	<b>-</b>	<b>(511,848,742)</b>	<b>27,100,569,865</b>	<b>254,730,763</b>	<b>27,355,300,628</b>
	<b>Balance at 1 January 2013</b>									
	<b>Transactions with equity holders, recorded directly in equity</b>									
	<i>Distributions to equity holders</i>									
	-	-	-	-	-	-	-	-	(345)	(345)
	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(50,932,491)	(8,135,723,704)
	-	-	-	<b>(8,084,791,213)</b>	-	-	-	<b>(8,084,791,213)</b>	<b>(50,932,836)</b>	<b>(8,135,724,049)</b>
	<i>Changes in ownership interests in subsidiaries</i>									
	-	-	-	-	-	(1,142,585,625)	(1,142,585,625)	(1,142,585,625)	(58,805,073,500)	(59,947,659,125)
	-	-	-	-	-	-	-	-	62,736,502,800	62,736,502,800
	-	-	-	-	-	<b>(1,142,585,625)</b>	<b>(1,142,585,625)</b>	<b>(1,142,585,625)</b>	<b>3,931,429,300</b>	<b>2,788,843,675</b>
	-	-	-	<b>(8,084,791,213)</b>	-	<b>(1,142,585,625)</b>	<b>(1,142,585,625)</b>	<b>(9,227,376,838)</b>	<b>3,880,496,464</b>	<b>(5,346,880,374)</b>
	<b>Total transactions with equity holders, recorded directly in equity</b>									
	-	-	-	10,502,914,121	-	-	-	10,502,914,121	88,039,791	10,590,953,912
	-	-	-	-	370,765,212	-	370,765,212	370,765,212	-	370,765,212
	-	-	-	<b>10,502,914,121</b>	<b>370,765,212</b>	-	<b>370,765,212</b>	<b>10,873,679,333</b>	<b>88,039,791</b>	<b>10,961,719,124</b>
	<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>18,463,123,288</b>	<b>(141,083,530)</b>	<b>(1,142,585,625)</b>	<b>(1,283,669,155)</b>	<b>28,746,872,360</b>	<b>4,223,267,018</b>	<b>32,970,139,378</b>
	<b>Balance at 31 December 2013</b>									

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of changes in equity

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

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve (in Baht)	Retained earnings Unappropriated retained earnings	
For the year ended 31 December 2013						
<b>Balance at 1 January 2013</b>		<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>11,604,923,584</b>	<b>23,172,341,811</b>
<b>Transactions with equity holders, recorded directly in equity</b>						
<i>Distributions to equity holders</i>						
Dividends	37	-	-	-	(8,084,791,213)	(8,084,791,213)
<b>Total transactions with equity holders, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,084,791,213)</b>	<b>(8,084,791,213)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	10,259,609,203	10,259,609,203
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10,259,609,203</b>	<b>10,259,609,203</b>
<b>Balance at 31 December 2013</b>		<b>8,983,101,348</b>	<b>1,684,316,879</b>	<b>900,000,000</b>	<b>13,779,741,574</b>	<b>25,347,159,801</b>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2014	2013	2014	2013
			(Restated)		
		<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		10,272,335,934	10,590,953,912	8,677,689,540	10,259,609,203
<b><i>Adjustments for</i></b>					
Depreciation	14, 32	5,718,366,895	4,317,951,028	3,757,281,291	3,207,201,920
Amortisation of leasehold rights	32	213,283,433	145,662,588	103,408,959	97,540,248
Amortisation of other intangible assets	16, 32	378,119,084	236,870,407	122,463,138	95,660,462
Interest income		(237,823,860)	(478,041,786)	(193,471,289)	(372,924,280)
Dividend income		(107,456)	(476,696)	(4,540,678,761)	(3,494,980,112)
Finance costs	33	8,518,494,735	2,214,030,392	8,355,306,998	2,179,436,410
Income tax expense	34	2,257,591,637	2,254,515,449	673,765,674	1,389,195,165
Provision for employees' severance pay	23	295,739,547	238,662,332	128,895,240	120,636,000
Allowance for losses on slow-moving inventories (reversal of allowance for losses on slow-moving inventories)		126,707,750	(158,569,713)	28,180,509	(175,817,007)
Reversal of impairment for losses on property, plant and equipment		(14,355,133)	(6,106,152)	-	-
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)		1,189,842	10,895,015	3,030,387	(454,488)
Unrealised (gain) loss on exchange		607,517	1,917,133,710	(384,248)	2,099,013,367
Gains on changes in fair value of investment	5	-	(71,702,031)	-	-
Loss on disposal and write-off of property, plant and equipment		63,293,122	109,864,105	229,278	92,747,239
Gain on disposal of leasehold rights		(10,433,479)	(8,287,483)	(10,433,479)	(8,287,483)
		<u>27,583,009,568</u>	<u>21,313,355,077</u>	<u>17,105,283,237</u>	<u>15,488,576,644</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts receivable		(59,765,347)	(158,510,472)	(2,603,001)	(18,647,159)
Other accounts receivable		(234,371,841)	(204,575,581)	(38,020,669)	(290,323,016)
Inventories		(2,377,813,583)	(3,073,080,591)	(1,051,147,189)	(757,280,083)
Other current assets		(387,671,849)	(1,657,974,037)	(180,037,099)	(1,384,638,230)
Other non-current assets		(559,115,918)	(34,814,296)	(150,460,878)	(233,134,086)
Trade accounts payable		4,577,540,996	8,299,147,465	3,597,819,373	1,878,327,437
Other accounts payable		62,706,163	153,422,208	(1,979,592,591)	2,268,040,437
Other current liabilities		235,851,805	(22,302,498)	6,785,900	(456,447,894)
Employee benefit obligations paid	23	(71,576,781)	(14,121,953)	(20,829,290)	(6,766,820)

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	2014	2013	2014	2013	
		(Restated)			
		(in Baht)			
Transferred in of employee benefit obligations	23	-	1,808,500	-	506,400
Accrued guarantee deposits		96,436,481	342,775,503	95,791,826	341,921,503
Other non-current liabilities		(2,729,225)	(1,222,604)	-	-
Cash generated from operating activities		28,862,500,469	24,943,906,721	17,382,989,619	16,830,135,133
Income tax paid		(2,491,923,200)	(3,319,793,263)	(899,135,330)	(2,537,689,344)
<b>Net cash provided by operating activities</b>		<b>26,370,577,269</b>	<b>21,624,113,458</b>	<b>16,483,854,289</b>	<b>14,292,445,789</b>
<b>Cash flows from investing activities</b>					
Interest received		241,955,111	633,352,889	200,833,573	468,055,852
Dividends received		107,456	476,696	4,540,678,761	3,494,980,112
Purchase of current investments	8	(2,480,000,000)	(5,450,000,000)	-	(3,300,000,000)
Sale of current investments	8	2,297,790,787	16,467,220,496	-	11,657,539,015
Net cash outflow on purchase of subsidiaries		-	(193,126,864,134)	-	-
Cash outflow on investment in subsidiaries	13	-	-	(29,999,970)	(195,684,002,530)
Cash outflow to non-controlling interests		-	(345)	-	-
Cash inflow from non-controlling interests		30	-	-	-
Cash inflow on other long-term investments	8	700,000	2,090,000,000	700,000	2,090,000,000
Cash outflow on long-term loans to subsidiaries	6	-	-	(1,000,000,000)	(1,920,000,000)
Cash inflow on long-term loans to subsidiaries	6	-	-	2,600,000,000	680,000,000
Purchase of property, plant and equipment	39	(14,199,863,786)	(11,272,382,055)	(6,147,067,655)	(7,721,687,881)
Sale of property, plant and equipment		364,865,952	81,241,730	382,940,583	63,940,404
Purchase of leasehold rights		(946,119,374)	(391,414,030)	(130,674,849)	(154,527,571)
Sale of leasehold rights		13,185,480	8,688,042	13,185,480	8,688,042
Purchase of other intangible assets		(1,256,914,556)	(452,349,869)	(220,635,163)	(181,304,542)
Sale of other intangible assets		6,326,383	3,183,993	5,058,854	-
<b>Net cash provided by (used in) investing activities</b>		<b>(15,957,966,517)</b>	<b>(191,408,846,587)</b>	<b>215,019,614</b>	<b>(190,498,319,099)</b>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
<i>Note</i>	2014	2013 (Restated)	2014	2013
	<i>(in Baht)</i>			
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(7,397,299,732)	(1,710,148,137)	(7,272,121,684)	(1,672,811,812)
Dividends paid to equity holders of the Company	(8,084,743,776)	(8,083,780,828)	(8,084,743,776)	(8,083,780,828)
Dividends paid to non-controlling interests	(66,209,826)	(50,932,491)	-	-
Finance lease payments	(79,797,525)	(21,592,056)	-	-
Increase (decrease) in overdrafts and short-term borrowings from financial institutions	19 (120,416,950,477)	131,043,521,706	(120,976,630,807)	129,981,130,316
Increase in short-term borrowing from subsidiary	6 -	-	-	3,110,600,000
Decrease in short-term borrowing from subsidiary	6 -	-	(2,359,177,040)	(883,410,400)
Proceeds from issue of debentures	19 90,000,000,000	50,000,000,000	90,000,000,000	50,000,000,000
Increase in long-term borrowings from financial institutions	19 95,346,925,000	-	93,346,925,000	-
Decrease in long-term borrowings from financial institutions	19 (52,131,794,400)	-	(52,131,794,400)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(2,829,870,736)</b>	<b>171,177,068,194</b>	<b>(7,477,542,707)</b>	<b>172,451,727,276</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,582,740,016</b>	<b>1,392,335,065</b>	<b>9,221,331,196</b>	<b>(3,754,146,034)</b>
Cash and cash equivalents at 1 January	24,632,252,846	23,084,975,812	15,642,314,092	19,367,985,562
Effect of exchange rate changes on balances held in foreign currencies	(10,617,596)	154,941,969	384,248	28,474,564
<b>Cash and cash equivalents at 31 December</b>	<b>7 32,204,375,266</b>	<b>24,632,252,846</b>	<b>24,864,029,536</b>	<b>15,642,314,092</b>

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

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

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# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 17 February 2015.

### 1 General information

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

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

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

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

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 31 December 2014 was 8,127 stores (2013: 7,429 stores).

	2014	2013
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,570	3,248
The Company franchises the license to other retailers under management agreements	3,916	3,593
The Company franchises the license to other retailers under sub-license agreements	641	588
<b>Total</b>	<b><u>8,127</u></b>	<b><u>7,429</u></b>

Details of the Company’s subsidiaries as at 31 December 2014 and 2013 are given in note 13 to the financial statements.

### 2 Basis of preparation of the financial statements

#### (a) Statement of compliance

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

The FAP had issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes

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

<b>TFRS</b>	<b>Topic</b>
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 3 (revised 2012)	Business Combinations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets-Web Site Costs

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies, which did not have any material effect on the financial performance or position of the Group, as disclosed in note 3 to the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 42 to the financial statements.

**(b) Basis of measurement**

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

**(c) Functional and presentation currency**

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

**(d) Use of estimates and judgements**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes to the financial statements:

Notes 4 (j) and (k)	Property, plant and equipment and intangible assets
Note 4 (u)	Current and deferred taxation
Note 5	Business combinations
Note 23	Measurement of employee benefit obligations
Note 38	Valuation of financial instruments

### 3 Changes in accounting policies

#### (a) Overview

From 1 January 2014, consequent to the adoption of new and revised TFRS as set out in note 2 to the financial statements, the Group has changed its accounting policies in the following areas:

- Accounting for determining whether an arrangement contains a lease
- Accounting for customer loyalty programmes

Other issued and revised TFRS did not have any impact on the accounting policies, financial position and performance of the Group. Details of the new accounting policies adopted by the Group are included in notes 3(b) and 3(c) to the financial statements.

#### (b) *Accounting for determining whether an arrangement contains a lease*

From 1 January 2014, the Group has adopted TFRIC 4 - *Determining whether an Arrangement contains a Lease*.

TFRIC 4 addresses arrangements that do not take the legal form of a lease, but convey rights to use items for agreed periods of time in return for a payment or series of payments. TFRIC 4 provides guidance for evaluating whether such arrangements are, or contain, leases that should be accounted for under TAS 17 Leases. If an agreement is determined to contain a lease, then TFRIC 4 requires TAS 17 to be applied to classify and account for the lease.

Management has reviewed and determined that the adoption of TFRIC 4 has no impact on the financial position or performance of the Group.

#### (c) *Accounting for customer loyalty programmes*

From 1 January 2014, the Group has adopted TFRIC 13 - *Customer Loyalty Programmes*.

TFRIC 13 addresses the accounting for an entity's obligation to provide free or discounted goods or services ('awards') in the future under a customer loyalty programme. TFRIC 13 requires that award credits are accounted for as a separately identified component of the sales transactions in which they are granted (the 'initial sale'). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The revenue and costs ascribed to the awards are only recognised when the award credits are redeemed or the entity otherwise fulfils its obligations in respect of the awards.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

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

Management has reviewed and determined that the adoption of TFRIC 13 has no material impact on the financial position or performance of the Group.

#### 4 Significant accounting policies

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

##### (a) *Basis of consolidation*

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

##### *Business combinations*

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

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

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

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

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

### **Notes to the financial statements**

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

The Group measures any non-controlling interest at the fair value.

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

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investment or as an available-for-sale financial asset depending on the level of influence retained.

#### *Transactions eliminated on consolidation*

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

### **(b) Foreign currencies**

#### *Foreign currency transactions*

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

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

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

#### *Foreign operations*

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

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

### **Notes to the financial statements**

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

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the currency translation differences reserve in equity until disposal of the investments.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the currency translation differences in equity until disposal of the investment.

#### **(c) *Derivative financial instruments***

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

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

#### **(d) *Hedging***

##### *Hedge of future foreign currency transactions*

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

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

#### **(e) *Cash and cash equivalents***

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

#### **(f) *Trade and other accounts receivable***

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

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

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

### **Notes to the financial statements**

#### **(g) Inventories**

##### *Raw materials, work in progress and finished goods*

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

Costs of the Company's inventories at distribution centers and subsidiaries' inventories are calculated using the weighted average cost principal and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Inventories at the 7-Eleven convenience stores of the Company are valued at the retail cost principal, which is calculated using the retail price of inventories less gross profit.

Inventories at the cash and carry business are valued at the first in first out principal.

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

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

#### **(h) Investments**

##### *Investments in subsidiaries*

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

##### *Investments in other debt and equity securities*

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

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

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

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

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

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Disposal of investments*

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

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

### **(i) *Investment properties***

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

Investment properties are stated at cost less accumulated impairment losses.

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

### **(j) *Property, plant and equipment***

#### *Recognition and measurement*

#### *Owned assets of the Group*

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

#### *Leased assets*

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



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Subsequent costs*

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

### *Depreciation*

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

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

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

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

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

### **(k) Intangible assets**

#### *Goodwill*

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

#### *Other intangible assets*

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

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

#### *Subsequent expenditure*

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

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Amortisation*

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

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

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

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

### **(l) Leasehold rights**

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

### *Amortisation*

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

### **(m) Impairment**

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

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

### **Notes to the financial statements**

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

#### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

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

#### **(n) *Interest-bearing liabilities***

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

#### **(o) *Trade and other accounts payable***

Trade and other accounts payable are stated at cost.

#### **(p) *Employee benefits***

##### *Post-employment benefit - defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

##### *Post-employment benefit - defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs is deducted. The discount rate is similar to the interest rate of long term government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

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

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

### **Notes to the financial statements**

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

#### *Other long-term employee benefits*

The Group provides for long-service award as a lump sum payment to employee who works for the specified year of service. The amount payable in the future depend on the year of service of the respective employees.

#### *Termination benefits*

Termination benefits are recognised in profit or loss when the Group is committed demonstrably, without realistic possibility of withdrawal or a formal detail plan to terminate employment before the normal retirement date and the obligation can be estimated reliably.

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### **(q) Provisions**

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

### **(r) Revenues**

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

#### *Sales of goods and services rendered*

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

#### *Initial fees, royalties and exclusivity fees*

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

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

### **Notes to the financial statements**

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

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

#### *Other income*

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

#### **(s) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

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

#### **(t) Lease payments**

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

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

#### *Determining whether an arrangement contains a lease*

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

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

#### **(u) Income tax**

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

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

### **Notes to the financial statements**

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

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

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

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

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

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

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

#### **(v) *Earnings per share***

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

#### **(w) *Segment reporting***

Segment results that are reported to the chairman of the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office and income tax expenses.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 5 Business combinations

At the extraordinary shareholders' meeting of the Company held on 12 June 2013, the Company's shareholders approved the following significant resolutions:

- (a) Approved the Company ("the buyer") to buy shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited ("Makro") from SHV Nederland B.V. ("the seller") in accordance with forms, terms and conditions mutually agreed upon by all parties. The total acquired shares both directly and indirectly were 154,429,500 shares, representing 64.35% of the total issued and paid-up shares of Makro ("Shares Acquisition of Makro"). The buyer and seller agreed to calculate and pay the share acquisition price in USD, totaling approximately USD 4,247 million or equivalent to approximately Baht 121,536 million, at a price of Baht 787 per share or equivalent to USD 27.50 per share (at the exchange rate of Baht 28.6181 per USD 1, which was the exchange rate on the date of the executed the Sale and Purchase agreement with conditions precedent (23 April 2013), as mutually agreed upon by all parties under the Sale and Purchase agreement with conditions precedent.
- (b) Approved the Company to make a Tender Offer for the remaining shares of Makro in the amount of 81,264,900 shares, representing 33.86% of the total issued and paid-up shares of Makro, at a price of Baht 787 per share ("Tender Offer in Makro").

#### Shares Acquisition of Makro

The Company acquired shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited from SHV Nederland B.V. in accordance with conditions in the Sale and Purchase agreement with conditions precedent. Details of shares acquisition of Makro are as follows:

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
OHT Co., Ltd.						
- Ordinary shares	61,250	90.57	-	-	61,250	90.57
- Preferred shares <sup>(1)</sup>	63,748	9.42	-	-	63,748	9.42
<b>Total</b>	<b>124,998</b>	<b>99.99</b>	<b>-</b>	<b>-</b>	<b>124,998</b>	<b>99.99</b>
Siam Makro Holding (Thailand) Ltd.						
- Ordinary shares	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
<b>Total</b>	<b>5,223,479</b>	<b>49.00</b>	<b>5,436,520</b>	<b>50.99</b>	<b>10,659,999</b>	<b>99.99</b>
Siam Makro Public Company Limited						
- Ordinary shares	22,414,360	9.34	132,015,140	55.01	154,429,500	64.35
<b>Total</b>	<b>22,414,360</b>	<b>9.34</b>	<b>132,015,140</b>	<b>55.01</b>	<b>154,429,500</b>	<b>64.35</b>

<sup>(1)</sup> Preferred shareholders have the right of 1 vote per 10 preferred shares. Preferred shares are non-participating and are entitled to non-cumulative dividends based on a pre-established variable rate applied over the par value of the preferred shares.

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

***Tender Offer in Makro***

On 5 August 2013 (the closing date of tender offer) the Company obtained shares of Siam Makro Public Company Limited from the completed tender offer, totaling 76,172,375 shares, representing 31.74% of the total issued and paid-up shares of Makro, totaling Baht 59,948 million.

***Investment in Makro before the Business Combination***

Before the business combination, the Company had an investment in Makro of 4,305,600 shares, representing 1.79% of the total issued and paid-up shares of Makro. The Company had to measure the fair value of the interest in Makro before the business combination as at the date of acquisition. The measurement resulted in a gain, amounting to Baht 72 million, which is recognised as “Gain on changes in fair value of investment” in the consolidated statement of income for the year ended 31 December 2013.

Gain on changes in fair value of investment in Makro before business combination is calculated as follows:

	<i>(in million Baht)</i>
Fair value of existing interest in Makro before the business combination date	3,324
Less investment in Makro accounted for cost method at the acquisition date	<u>(3,252)</u>
<b>Gain on changes in fair value of investment</b>	<b><u>72</u></b>

***Ownership Interests in Makro Shares***

The ownership interests in Makro shares as at 31 December 2014 and 2013 were as follows:

	<i>Ownership Interests (%)</i>
Investment in Makro before business combination	1.79
Share acquisition of Makro at 26 June 2013	64.35
Tender offer in Makro	<u>31.74</u>
<b>Total</b>	<b><u>97.88</u></b>

	Number of direct holding shares	%	Number of indirect holding shares	%	Total holding shares	%
Investment in Makro						
- Ordinary shares	<u>2,057,846,700</u>	<u>42.87</u>	<u>2,640,302,800</u>	<u>55.01</u>	<u>4,698,149,500</u>	<u>97.88</u>
<b>Total</b>	<b><u>2,057,846,700</u></b>	<b><u>42.87</u></b>	<b><u>2,640,302,800</u></b>	<b><u>55.01</u></b>	<b><u>4,698,149,500</u></b>	<b><u>97.88</u></b>

***The Change in Par Value of Ordinary Shares of Makro***

At the extraordinary general shareholders’ meeting of Makro held on 20 September 2013, Makro’s shareholders approved the change of the par value of its ordinary shares from Baht 10 per share, totaling 240,000,000 shares, to Baht 0.50 per share, totaling 4,800,000,000 shares by splitting 1 ordinary share at a par value of Baht 10 per share into 20 ordinary shares at a par value of Baht 0.50 per share. Makro registered the change in the par value with the Ministry of Commerce on 4 October 2013. Consequently, the Company’s direct and indirect interest in shares in Makro increased from 234,907,475 shares to 4,698,149,500 shares.



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

*Operations of 3 New Subsidiaries after Acquisition Date*

The Company included the 3 new subsidiaries, namely (1) OHT Co., Ltd., (2) Siam Makro Holding (Thailand) Ltd., and (3) Siam Makro Public Company Limited and its subsidiaries, for the period from 1 July 2013 to 31 December 2013 in the preparation of the consolidated statement of income for the year ended 31 December 2013. Significant details are as follows:

(in million Baht)

Revenue from sale of goods and rendering of services	66,343
Profit for the period attributable to equity holders of the Company	2,280

If the acquisition had occurred on 1 January 2013, management estimates that revenue from sale of goods and rendering of services and profit for the year from the acquired subsidiaries attributable to equity holders of the Company for the year ended 31 December 2013 would be as follows:

(in million Baht)

Revenue from sale of goods and rendering of services	335,029
Profit for the year attributable to equity holders of the Company	12,430

The Company did not include operations of 3 new subsidiaries during the period from 26 June 2013 (Acquisition date) to 30 June 2013 in the preparation of the consolidated statement of income for the year ended 31 December 2013 since the Company's management considered that there would be no material impact on the consolidated statement of income for the year ended 31 December 2013.

During the year 2013 the Company engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. The independent appraiser completed the process of appraising the fair value on 23 April 2014. The Company considered the information from the draft report of the independent appraiser and noted that the factors that contributed to goodwill include the potential from the business base expansion to other countries in Asia, the business type's expansion to cover cash and carry business and the synergy benefits from the exchange of knowledge and skills among personnel which increases the operating efficiency of the Group. Moreover, increased centralisation will create economies of scale, which in turn generates cost efficiency, especially in distribution centers. Goodwill from the business combination will not qualify for any tax deduction.

The Company has applied TFRS No. 3 (revised 2012) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Consideration transferred*

(in million Baht)

Cash paid	192,420
<b>Total</b>	<b>192,420</b>

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

*Identifiable assets acquired and liabilities assumed*

	<b>Fair Value</b> <i>(in million Baht)</i>
Cash and cash equivalents	2,545
Trade accounts receivable	183
Inventories	7,536
Other current assets	1,431
Investment properties	333
Property, plant and equipment	46,012
Leasehold rights	1,416
Other intangible assets (intellectual property and others)	47,279
Deferred tax assets	199
Other non-current assets	18
Short-term borrowings from financial institutions	(2,104)
Trade accounts payable	(13,879)
Other current liabilities	(2,525)
Employee benefit obligations	(304)
Deferred tax liabilities	(15,417)
Other non-current liabilities	(127)
<b>Net assets</b>	<b>72,596</b>
Non-controlling interests of the acquiree (at fair value)	(3,931)
Differences on acquisition of non-controlling interests	1,143
The Company's previously held before business combinations in Makro	(3,324)
Goodwill	125,936
<b>Consideration transferred</b>	<b>192,420</b>

In June 2014, the Company has adjusted the fair values of the consideration received from the acquired businesses, and recorded the difference between the purchase price and the value of consideration received in the account "Goodwill" amounting to Baht 125,936 million by considering the information from the report of the independent appraiser dated 23 April 2014 and other relevant information obtained within one year after the acquisition date. Therefore, the consolidated statement of financial position as at 31 December 2013 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended have been restated accordingly.

Details of the restatement are as follows:

	<b>Consolidated Financial Statements</b>		
	As previously reported	Increase (decrease)	Restated
	<i>(in million Baht)</i>		
<b>At 31 December 2013</b>			
<b>Consolidated statement of financial position</b>			
<b>Assets</b>			
Goodwill	125,515	558	126,073
Other intangible asset	33,546	14,784	48,330
Total assets	288,666	15,342	304,008

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

	<b>Consolidated Financial Statements</b>		
	As previously reported	Increase (decrease) <i>(in million Baht)</i>	Restated
<b><i>At 31 December 2013</i></b>			
<b><i>Consolidated statement of financial position</i></b>			
<b>Liabilities and equity</b>			
Deferred tax liabilities	-	15,379	15,379
Unappropriated retained earnings	18,497	(34)	18,463
Non-controlling interests	4,226	(3)	4,223
Total liabilities and equity	288,666	15,342	304,008
<b><i>For the year ended 31 December 2013</i></b>			
<b><i>Consolidated statement of income</i></b>			
Selling expenses	46,405	189	46,594
Administrative expenses	11,905	(115)	11,790
Income tax expense	2,292	(37)	2,255
Profit for the year	10,628	(37)	10,591
Profit attributable to:			
Equity holders of the Company	10,537	(34)	10,503
Non-controlling interests	91	(3)	88
<b><i>Consolidated statement of comprehensive income</i></b>			
Total comprehensive income for the year	10,999	(37)	10,962
Total comprehensive income attributable to:			
Equity holders of the Company	10,908	(34)	10,874
Non-controlling interests	91	(3)	88
<b><i>Consolidated statement of changes in equity</i></b>			
Unappropriated retained earnings	18,497	(34)	18,463
Non-controlling interests	4,226	(3)	4,223

**6 Related parties**

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

Relationships with subsidiaries are described in note 13 to the financial statements. Relationship with key management and other related parties were as follows:

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

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

<b>Name of parties</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Charoen Pokphand Foods Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
Cineplex Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
True Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CPF IT Center 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
C.P. Consumer Products Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Merchandising Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Lifestyle Retail Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Universal Convergence Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Internet Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Freewill Solutions Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Pokphand Enterprise Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Digital Content and Media 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
Thai News Network 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
Real Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder

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

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

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

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Service and other operating income	Contract prices determined by the terms and conditions used in the normal course of business
Interest income	Financial costs plus administrative expenses
Dividend income	Right to receive dividends
Purchase of goods and services	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rental and service fees	Rates advised by the lessors and service providers
Technical service fees	Contract prices determined by the terms and conditions used in the normal course of business
Insurance premiums	Standard rates as specified by the insurers
Interest expense	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Purchase of other intangible assets	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 years ended 31 December 2014 and 2013 with related parties were as follows:

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Ultimate parent company</b>				
Administrative expenses	9	9	9	9
<b>Subsidiaries</b>				
Revenue from sale of goods and rendering of services	-	-	567	472
Interest income	-	-	72	47
Dividend income	-	-	4,541	3,494
Other income	-	-	1,170	826
Selling expenses	-	-	1,018	1,304
Administrative expenses	-	-	1,670	1,460
Purchases of goods and services	-	-	13,316	9,738

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

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Purchases of property, plant and equipment and other intangible assets	-	-	1,505	1,565
Interest expense	-	-	5	3
<b><i>Other related companies</i></b>				
Revenue from sale of goods and rendering of services	1,750	1,669	701	649
Other income	665	594	645	588
Selling expenses	20	46	-	-
Administrative expenses	494	600	383	536
Purchases of goods and services	26,256	22,703	22,934	20,316
Purchases of property, plant and equipment and other intangible assets	75	6	-	-
<b><i>Key management personnel</i></b>				
Key management benefit expenses				
Short-term employee benefits	582	494	383	382
Other long-term employee benefits	-	11	-	-
Severance pay for employees	14	23	6	18
<b>Total key management benefit expenses</b>	<b>596</b>	<b>528</b>	<b>389</b>	<b>400</b>

Balances as at 31 December 2014 and 2013 with related parties were as follows:

***Trade accounts receivable***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Related companies	130	76	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
<b>Net</b>	<b>128</b>	<b>74</b>	<b>-</b>	<b>-</b>
<b>Bad and doubtful debts expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

***Other accounts receivable***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	334	448
Other related companies	219	270	215	268
<b>Net</b>	<b>219</b>	<b>270</b>	<b>549</b>	<b>716</b>
<b>Bad and doubtful debts expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

*Investment in related company*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
True GS Co., Ltd.	24	24	24	24
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>

All investment in related company of the Company as at 31 December 2014 and 2013 was dominated entirely in Thai Baht.

*Long-term loans to subsidiary*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
CPRAM Co., Ltd.	-	-	-	1,600
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,600</b>

The long-term loans to a subsidiary of the Company as at 31 December 2013 were denominated entirely in Thai Baht.

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	1,600	360
Increases	-	-	1,000	1,920
Decreases	-	-	(2,600)	(680)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,600</b>

As at 31 December 2013 the balance of long-term loans to a subsidiary was unsecured and without a fixed repayment term within one year; and the interest rate was fixed at 4.75% per annum.

During the year 2014, the Company received the repayment of the entire principal of long-term loans to the subsidiary.

*Prepaid rental and service fees*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Subsidiary</b>				
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	224	254
<b>Total</b>	<b>-</b>	<b>-</b>	<b>254</b>	<b>284</b>

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

During the year 2008 the Company prepaid the rental and service fees under the terms of lease and service agreements with a local subsidiary (Panyapiwat Institute of Management) for the lease of its building spaces for field consultant conferences, trade shows, franchisee conferences and other activities for a period of 15 years, totaling Baht 450 million. The Company amortises the prepaid rental and service fees as an expense according to the terms of the agreements (15 years).

***Trade accounts payable***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	1,115	260
Other related companies	5,561	5,069	4,431	3,714
<b>Net</b>	<b>5,561</b>	<b>5,069</b>	<b>5,546</b>	<b>3,974</b>

***Other accounts payable***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	6,956	8,923
Other related companies	51	28	18	10
<b>Net</b>	<b>51</b>	<b>28</b>	<b>6,974</b>	<b>8,933</b>

***Short-term borrowing from subsidiary***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Subsidiary</b>				
Lotus Distribution Investment Limited	-	-	-	2,359
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,359</b>

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	2,359	-
Increases	-	-	-	3,111
Decreases	-	-	(2,359)	(883)
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United State Dollar to Thai Baht	-	-	-	131
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,359</b>



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

### **Notes to the financial statements**

As at 31 December 2013 the balance of short-term borrowings from a subsidiary was denominated in United State Dollars, unsecured and without a fixed repayment term. The interest rate was fixed at 0.25% per annum.

In October 2014, the Company repaid the entire principal of short-term borrowing from the subsidiary.

#### ***Significant agreements with related parties***

As at 31 December 2014 the Group had the following significant agreements with related parties.

- (a) The Company has a service agreement with Charoen Pokphand Group Company Limited, the ultimate parent company, covering technical advisory, management, technical assistances and right to use the trademark and services of the ultimate parent company for a period of 1 year ending in December 2015. In consideration thereof, the Company agreed to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.
- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.
- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 3 years ending in December 2017. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2017. In consideration thereof, the subsidiary agreed to pay an annual service fee to the Company at the amount stipulated in the agreement.

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

- (g) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 9.1 million, and placed guarantee deposits with the related company totaling Baht 27.4 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until December 2016.
- (h) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd., a local subsidiary. Under the terms of these agreements, the subsidiary agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2015. In consideration thereof, the Company and its subsidiaries agreed to pay service fees at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Siam Makro Public Company Limited, a local subsidiary. Under the terms of the agreement, the Company agrees to grant:
- (1) the right to use certain trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee calculated as a percentage of its sales as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.
  - (2) the rights to use software under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay fees as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.

**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Cash on hand	8,089	14,027	6,502	11,399
Cash at financial institutions				
- current accounts	3,752	687	3,552	498
Cash at financial institutions				
- savings accounts	19,889	7,664	14,810	3,645
Highly liquid short-term investments	474	2,254	-	100
<b>Total</b>	<b>32,204</b>	<b>24,632</b>	<b>24,864</b>	<b>15,642</b>

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

**8 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b><i>Current investments</i></b>				
Cash at financial institutions				
- time deposits	32	-	-	-
Promissory notes	1,200	1,050	-	-
<b>Total</b>	<b>1,232</b>	<b>1,050</b>	<b>-</b>	<b>-</b>
<b><i>Other long-term investments</i></b>				
Government bonds	-	1	-	1
Unsecured debentures	100	100	100	100
<b>Total</b>	<b>100</b>	<b>101</b>	<b>100</b>	<b>101</b>
<b>Grand total</b>	<b>1,332</b>	<b>1,151</b>	<b>100</b>	<b>101</b>

Held-to-maturity investments have interest rates between 2.40% to 4.38% per annum (2013: interest rates between 2.25% to 5.90% per annum) and mature within 10 years (2013: mature within 10 years).

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b><i>Current investments</i></b>				
At 1 January	1,050	11,971	-	8,327
Increases	2,480	5,450	-	3,300
Decreases	(2,298)	(16,467)	-	(11,658)
Effect of exchange rate	-	96	-	31
<b>At 31 December</b>	<b>1,232</b>	<b>1,050</b>	<b>-</b>	<b>-</b>
<b><i>Other long-term investments</i></b>				
At 1 January	101	2,191	101	2,191
Increases	-	-	-	-
Decreases	(1)	(2,090)	(1)	(2,090)
<b>At 31 December</b>	<b>100</b>	<b>101</b>	<b>100</b>	<b>101</b>

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

**9 Trade accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Related parties	6	130	76	-	-
Other parties		807	801	122	119
<b>Total</b>		<b>937</b>	<b>877</b>	<b>122</b>	<b>119</b>
Less allowance for doubtful accounts		(27)	(29)	-	-
<b>Net</b>		<b>910</b>	<b>848</b>	<b>122</b>	<b>119</b>
<b>Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the</b>		<b>(2)</b>	<b>11</b>	<b>-</b>	<b>-</b>

Aging analyses for trade accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Related parties</b>					
Within credit terms		97	42	-	-
Overdue:					
Less than 3 months		31	33	-	-
3 - 6 months		1	1	-	-
6 - 12 months		1	-	-	-
<b>Total</b>		<b>130</b>	<b>76</b>	<b>-</b>	<b>-</b>
Less allowance for doubtful accounts		(2)	(2)	-	-
<b>Net</b>	6	<b>128</b>	<b>74</b>	<b>-</b>	<b>-</b>
<b>Other parties</b>					
Within credit terms		633	594	122	101
Overdue:					
Less than 3 months		125	176	-	18
3 - 6 months		21	1	-	-
6 - 12 months		5	7	-	-
Over 12 months		23	23	-	-
<b>Total</b>		<b>807</b>	<b>801</b>	<b>122</b>	<b>119</b>
Less allowance for doubtful accounts		(25)	(27)	-	-
<b>Net</b>		<b>782</b>	<b>774</b>	<b>122</b>	<b>119</b>
<b>Grand total</b>		<b>910</b>	<b>848</b>	<b>122</b>	<b>119</b>

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

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

**10 Other accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Related parties	6	219	270	549	716
Other parties		1,607	1,321	1,469	1,270
<b>Total</b>		<b>1,826</b>	<b>1,591</b>	<b>2,018</b>	<b>1,986</b>
Less allowance for doubtful accounts		(18)	(15)	(9)	(6)
<b>Net</b>		<b>1,808</b>	<b>1,576</b>	<b>2,009</b>	<b>1,980</b>
<b>Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the</b>		<b>3</b>	<b>(1)</b>	<b>3</b>	<b>(1)</b>

Aging analyses for other accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Related parties</b>					
Within credit terms		127	239	453	684
Overdue:					
Less than 3 months		88	26	92	26
3 - 6 months		-	2	-	2
6 - 12 months		1	3	1	4
Over 12 months		3	-	3	-
<b>Total</b>	6	<b>219</b>	<b>270</b>	<b>549</b>	<b>716</b>
<b>Other parties</b>					
Within credit terms		1,190	1,149	1,080	1,115
Overdue:					
Less than 3 months		393	153	376	147
3 - 6 months		3	3	1	-
6 - 12 months		2	2	1	1
Over 12 months		19	14	11	7
<b>Total</b>		<b>1,607</b>	<b>1,321</b>	<b>1,469</b>	<b>1,270</b>
Less allowance for doubtful accounts		(18)	(15)	(9)	(6)
<b>Net</b>		<b>1,589</b>	<b>1,306</b>	<b>1,460</b>	<b>1,264</b>
<b>Grand total</b>		<b>1,808</b>	<b>1,576</b>	<b>2,009</b>	<b>1,980</b>

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

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

**11 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Finished goods	22,386	20,068	10,593	9,541
Work in progress	106	64	-	-
Raw materials	338	320	-	-
<b>Total</b>	<b>22,830</b>	<b>20,452</b>	<b>10,593</b>	<b>9,541</b>
Less allowance for losses on slow-moving inventories	(663)	(536)	(351)	(322)
<b>Net</b>	<b>22,167</b>	<b>19,916</b>	<b>10,242</b>	<b>9,219</b>

The cost of inventories which is recognised as an expense and presented as part of the accounts “Cost of sale of goods and rendering of services” and “Selling expenses” in the statements of income for the year ended 31 December 2014 amounted to Baht 279,029 million (2013: Baht 208,153 million) and Baht 1,608 million (2013: Baht 1,304 million) in the consolidated financial statements, respectively, and Baht 152,394 million (2013: Baht 148,728 million) and Baht 1,607 million (2013: Baht 1,305 million) in the separate financial statements respectively.

**12 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Accrued income	2,809	1,898	1,303	785
Cash card	1,601	1,295	1,601	1,295
Prepaid expenses	1,005	1,614	864	1,496
Receivable from Revenue Department	453	203	371	161
Prepaid income tax	9	248	-	239
Other	486	682	76	48
<b>Total</b>	<b>6,363</b>	<b>5,940</b>	<b>4,215</b>	<b>4,024</b>

**13 Investments in subsidiaries**

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	202,208	6,524
Increases	-	-	30	195,684
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>202,238</b>	<b>202,208</b>

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

Details of the additional investments during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
24 Shopping Co., Ltd.	-	-	30	-
Siam Makro Public Company Limited	-	-	-	82,427
OHT Co., Ltd.	-	-	-	57,754
Siam Makro Holding (Thailand) Ltd.	-	-	-	55,490
All Corporation Co., Ltd.	-	-	-	13
Albuera International Limited	-	-	-	-*
<b>Total</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>195,684</b>

\* *The Company invested in Albuera International Limited amounting to USD 1.*

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

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests		Separate financial statements				Dividend income	
			2014	2013	Paid-up capital		At cost		2014	2013
			2014 2013		2014	2013	2014	2013	2014	2013
			(%)		<i>(in million Baht)</i>					
<b>Local direct subsidiaries</b>										
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	-	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd	Bill payment Services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	70	70	61	61	798	766
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	140	40
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	90	160
All Corporation Limited	Holding company	Thailand	99.99	99.99	13	13	13	13	-	-

**Separate financial statements (Continued)**

Name of parties	Type of business	Country of incorporation	Ownership interests		Separate financial statements				Dividend income	
			2014	2013	Paid-up capital		At cost		2014	2013
			2014	2013	2014	2013	2014	2013	2014	2013



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

			(%)		(in million Baht)					
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	10	30
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	105	40
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	195	110
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	875	673
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	-	30	-	30	-	150	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	840	646
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	2,400	82,427	82,427	1,338	1,029
<b>Total</b>							<b>198,381</b>	<b>198,351</b>	<b>4,541</b>	<b>3,494</b>

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

**Separate financial statements (Continued)**

Name of parties	Type of business	Country of incorporation	Ownership interests		Paid-up capital		At cost		Dividend income	
			2014	2013	2014	2013	2014	2013	2014	2013
			(%)		(in million US\$)		(in million Baht)			
<b>Foreign direct subsidiaries</b>										
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	116	116	3,857	3,857	-	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	-*	-*	-*	-*	-	-
<b>Total</b>							<b>3,857</b>	<b>3,857</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>							<b>202,238</b>	<b>202,208</b>	<b>4,541</b>	<b>3,494</b>

\* As at 31 December 2014 Albuera International Limited (“Albuera”) had paid-up capital amounting to USD 1 and the Company invested in Albuera amounting to USD 1.

*Additional investment during the year*

At the Company’s Board of Directors meeting held on 7 August 2013, the Company’s Board of Directors approved to set up a local direct subsidiary, 24 Shopping Co., Ltd., with the initial authorised share capital of Baht 30 million; and call for a fully paid-up share capital. In this regard, the Company has a 99.99% investment in the subsidiary’s paid-up share capital. The subsidiary registered the authorised share capital and the call for a fully paid-up share capital with the Ministry of Commerce on 2 January 2014

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

Details of the Company's indirect subsidiaries as at 31 December 2014 and 2013 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests	
			2014	2013
			(%)	
<b><i>Local indirect subsidiaries</i></b>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	97.88
Makro ROH Co., Ltd	Providing technical and supporting services to the Group	Thailand	97.88	-
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99
<b><i>Foreign indirect subsidiaries</i></b>				
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People's Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People's Republic of China	100.00	100.00
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding and educational institution	The People's Republic of China	100.00	-
Nanjing Tech University Pujing Institute	Educational institution	The People's Republic of China	100.00	-
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	97.88	97.88

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

**14 Property, plant and equipment**

	<b>Consolidated financial statements</b>						Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	
<i>Cost/revaluation</i>							
At 1 January 2013	2,456	11,488	9,372	8,128	1,147	3,254	35,845
Additions	1,157	127	1,867	1,807	6,503	208	11,669
Acquired through business combinations	33,667	12,235	8,602	1,270	214	75	56,063
Transfers	8	2,710	696	36	(3,727)	277	-
Disposals	-	(335)	(449)	(475)	(11)	(77)	(1,347)
<b>At 31 December 2013 and 1 January 2014</b>	<b>37,288</b>	<b>26,225</b>	<b>20,088</b>	<b>10,766</b>	<b>4,126</b>	<b>3,737</b>	<b>102,230</b>
Additions	1,677	374	2,812	1,733	8,205	258	15,059
Transfers	72	4,616	1,552	217	(7,170)	713	-
Disposals	(256)	(176)	(555)	(490)	-	(111)	(1,588)
Currency translation differences	-	-	-	-	1	-	1
<b>At 31 December 2014</b>	<b>38,781</b>	<b>31,039</b>	<b>23,897</b>	<b>12,226</b>	<b>5,162</b>	<b>4,597</b>	<b>115,702</b>

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

	<b>Consolidated financial statements (Continued)</b>						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	Total
<i>Accumulated depreciation and impairment losses</i>							
At 1 January 2013	-	(4,463)	(6,084)	(5,164)	(2)	(2,038)	(17,751)
Depreciation charge for the year	-	(1,200)	(1,614)	(1,138)	-	(366)	(4,318)
Acquired through business combinations	-	(3,857)	(5,261)	(885)	-	(48)	(10,051)
Disposals	-	230	430	428	-	69	1,157
Reversal of impairment losses (impairment losses)	-	20	(11)	(3)	-	-	6
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>(9,270)</b>	<b>(12,540)</b>	<b>(6,762)</b>	<b>(2)</b>	<b>(2,383)</b>	<b>(30,957)</b>
Depreciation charge for the year	-	(1,666)	(2,256)	(1,356)	-	(440)	(5,718)
Disposals	-	107	534	425	-	94	1,160
Reversal of impairment losses	-	6	8	-	-	-	14
<b>At 31 December 2014</b>	<b>-</b>	<b>(10,823)</b>	<b>(14,254)</b>	<b>(7,693)</b>	<b>(2)</b>	<b>(2,729)</b>	<b>(35,501)</b>
<i>Net book value</i>							
<b>At 1 January 2013</b>	<b>2,456</b>	<b>7,025</b>	<b>3,288</b>	<b>2,964</b>	<b>1,145</b>	<b>1,216</b>	<b>18,094</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>37,288</b>	<b>16,955</b>	<b>7,548</b>	<b>4,004</b>	<b>4,124</b>	<b>1,354</b>	<b>71,273</b>
<b>At 31 December 2014</b>	<b>38,781</b>	<b>20,216</b>	<b>9,643</b>	<b>4,533</b>	<b>5,160</b>	<b>1,868</b>	<b>80,201</b>

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

	<b>Separate financial statements</b>						Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	
<b>Cost</b>							
At 1 January 2013	1,456	9,632	6,778	8,475	226	2,919	29,486
Additions	868	14	1,220	1,728	3,987	179	7,996
Transfers	7	2,081	72	6	(2,433)	267	-
Disposals	-	(296)	(292)	(399)	-	(73)	(1,060)
<b>At 31 December 2013 and 1 January 2014</b>	<b>2,331</b>	<b>11,431</b>	<b>7,778</b>	<b>9,810</b>	<b>1,780</b>	<b>3,292</b>	<b>36,422</b>
Additions	130	36	1,243	1,437	2,770	217	5,833
Transfers	-	2,816	91	78	(3,592)	607	-
Disposals	(255)	(145)	(196)	(417)	-	(82)	(1,095)
<b>At 31 December 2014</b>	<b>2,206</b>	<b>14,138</b>	<b>8,916</b>	<b>10,908</b>	<b>958</b>	<b>4,034</b>	<b>41,160</b>
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2013	-	(3,768)	(4,507)	(5,672)	-	(1,828)	(15,775)
Depreciation charge for the year	-	(861)	(869)	(1,148)	-	(329)	(3,207)
Disposals	-	199	286	352	-	66	903
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>(4,430)</b>	<b>(5,090)</b>	<b>(6,468)</b>	<b>-</b>	<b>(2,091)</b>	<b>(18,079)</b>
Depreciation charge for the year	-	(1,071)	(1,028)	(1,270)	-	(388)	(3,757)
Disposals	-	100	186	356	-	70	712
<b>At 31 December 2014</b>	<b>-</b>	<b>(5,401)</b>	<b>(5,932)</b>	<b>(7,382)</b>	<b>-</b>	<b>(2,409)</b>	<b>(21,124)</b>
<b>Net book value</b>							
At 1 January 2013	<b>1,456</b>	<b>5,864</b>	<b>2,271</b>	<b>2,803</b>	<b>226</b>	<b>1,091</b>	<b>13,711</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>2,331</b>	<b>7,001</b>	<b>2,688</b>	<b>3,342</b>	<b>1,780</b>	<b>1,201</b>	<b>18,343</b>
<b>At 31 December 2014</b>	<b>2,206</b>	<b>8,737</b>	<b>2,984</b>	<b>3,526</b>	<b>958</b>	<b>1,625</b>	<b>20,036</b>

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

As at 31 December 2014 the Group had assets under finance leases with a net book value amounted to Baht 514 million (2013: Baht 179 million.)

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2014 amounted to Baht 15,974 million (2013: Baht 13,978 million) in the consolidated financial statements and Baht 9,729 million (2013: Baht 8,334 million) in the separate financial statements respectively.

**15 Goodwill**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Cost</b>					
At 1 January		126,073	137	-	-
Acquired through business combinations	5	-	125,936	-	-
<b>At 31 December</b>		<b>126,073</b>	<b>126,073</b>	<b>-</b>	<b>-</b>
<b>Impairment losses</b>					
At 1 January		-	-	-	-
Impairment losses		-	-	-	-
<b>At 31 December</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
At 1 January		<b>126,073</b>	<b>137</b>	<b>-</b>	<b>-</b>
At 31 December		<b>126,073</b>	<b>126,073</b>	<b>-</b>	<b>-</b>

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

**16 Other intangible assets**

	<b>Consolidated financial statements</b>			
	Computer software in use and under development	Intellectual property <i>(in million Baht)</i>	Other	Total
<b><i>Cost/revaluation</i></b>				
At 1 January 2013	1,586	-	4	1,590
Acquired through business combinations	225	46,072	1,138	47,435
Additions	479	-	-	479
Transfers	(80)	-	-	(80)
Disposals	(5)	-	-	(5)
Currency translation differences	(4)	-	-	(4)
<b>At 31 December 2013 and 1 January 2014</b>	<b>2,201</b>	<b>46,072</b>	<b>1,142</b>	<b>49,415</b>
Additions	631	-	1,089	1,720
Disposals	(8)	-	-	(8)
<b>At 31 December 2014</b>	<b>2,824</b>	<b>46,072</b>	<b>2,231</b>	<b>51,127</b>
<b><i>Accumulated amortisation</i></b>				
At 1 January 2013	(693)	-	(1)	(694)
Amortisation charge for the year	(156)	-	(81)	(237)
Acquired through business combinations	(156)	-	-	(156)
Disposals	2	-	-	2
<b>At 31 December 2013 and 1 January 2014</b>	<b>(1,003)</b>	<b>-</b>	<b>(82)</b>	<b>(1,085)</b>
Amortisation charge for the year	(215)	-	(163)	(378)
Disposals	1	-	-	1
<b>At 31 December 2014</b>	<b>(1,217)</b>	<b>-</b>	<b>(245)</b>	<b>(1,462)</b>
<b><i>Net book value</i></b>				
<b>At 1 January 2013</b>	<b>893</b>	<b>-</b>	<b>3</b>	<b>896</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>1,198</b>	<b>46,072</b>	<b>1,060</b>	<b>48,330</b>
<b>At 31 December 2014</b>	<b>1,607</b>	<b>46,072</b>	<b>1,986</b>	<b>49,665</b>



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

	<b>Separate Financial statements</b>
	Computer software in use and under development <i>(in million Baht)</i>
<b>Cost</b>	
At 1 January 2013	1,093
Additions	147
Disposals	(1)
<b>At 31 December 2013 and 1 January 2014</b>	<b>1,239</b>
Additions	203
Disposals	(6)
<b>At 31 December 2014</b>	<b>1,436</b>
<b>Accumulated amortisation</b>	
At 1 January 2013	(510)
Amortisation charge for the year	(96)
Disposals	1
<b>At 31 December 2013 and 1 January 2014</b>	<b>(605)</b>
Amortisation charge for the year	(122)
Disposals	1
<b>At 31 December 2014</b>	<b>(726)</b>
<b>Net book value</b>	
At 1 January 2013	<b>583</b>
At 31 December 2013 and 1 January 2014	<b>634</b>
At 31 December 2014	<b>710</b>

The gross amount of the Group's and the Company's fully amortised other intangible assets that were still in use as at 31 December 2014 amounted to Baht 894 million (2013: Baht 697 million) in the consolidated financial statements and Baht 691 million (2013: Baht 556 million) in the separate financial statements respectively.

**17 Deferred income tax**

Deferred tax assets and liabilities as at 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Deferred tax assets	662	344	281	55
Deferred tax liabilities	(15,304)	(15,379)	-	-
<b>Net deferred tax assets (liabilities)</b>	<b>(14,642)</b>	<b>(15,035)</b>	<b>281</b>	<b>55</b>

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

Movements in deferred tax assets and liabilities during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		
	<b>At 1 January 2014</b>	<b>(Charged)/ credited to profit or loss</b>	<b>At 31 December 2014</b>
	<i>(in million Baht)</i>		
<b><i>Deferred tax assets (liabilities)</i></b>			
Trade accounts receivable	4	1	5
Inventories	156	75	231
Property, plant and equipment	68	2	70
Other current liabilities	(203)	203	-
Employee benefit obligations	281	33	314
Tax losses	11	(11)	-
Fair value adjustment assets acquired through business combinations	(15,379)	75	(15,304)
Other	27	15	42
<b>Net</b>	<b><u>(15,035)</u></b>	<b><u>393</u></b>	<b><u>(14,642)</u></b>

	<b>Consolidated financial statements</b>			
	<b>At 1 January 2013</b>	<b>(Charged)/ credited to profit or loss</b>	<b>Acquired through business combinations</b>	<b>At 31 December 2013</b>
	<i>(in million Baht)</i>			
<b><i>Deferred tax assets (liabilities)</i></b>				
Trade accounts receivable	4	(1)	1	4
Inventories	105	(21)	72	156
Property, plant and equipment	25	(9)	52	68
Other current liabilities	-	(203)	-	(203)
Employee benefit obligations	181	39	61	281
Tax losses	41	(30)	-	11
Fair value adjustment assets acquired through business combinations	-	38	(15,417)	(15,379)
Other	13	1	13	27
<b>Net</b>	<b><u>369</u></b>	<b><u>(186)</u></b>	<b><u>(15,218)</u></b>	<b><u>(15,035)</u></b>

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

	<b>Separate financial statements</b>		
	<b>At 1 January 2014</b>	(Charged)/ credited to profit or loss	<b>At 31 December 2014</b>
	<i>(in million Baht)</i>		
<i>Deferred tax assets (liabilities)</i>			
Trade accounts receivable	1	1	2
Inventories	64	6	70
Property, plant and equipment	24	-	24
Other current liabilities	(202)	202	-
Employee benefit obligations	164	21	185
Other	4	(4)	-
<b>Net</b>	<b>55</b>	<b>226</b>	<b>281</b>

	<b>Separate financial statements</b>		
	<b>At 1 January 2013</b>	(Charged)/ credited to profit or loss	<b>At 31 December 2013</b>
	<i>(in million Baht)</i>		
<i>Deferred tax assets (liabilities)</i>			
Trade accounts receivable	1	-	1
Inventories	100	(36)	64
Property, plant and equipment	24	-	24
Other current liabilities	-	(202)	(202)
Employee benefit obligations	141	23	164
Other	3	1	4
<b>Net</b>	<b>269</b>	<b>(214)</b>	<b>55</b>

**18 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Prepaid rental and service fees	1,096	866	1,050	1,070
Guarantee deposit	902	732	896	726
Other	18	17	2	2
<b>Total</b>	<b>2,016</b>	<b>1,615</b>	<b>1,948</b>	<b>1,798</b>

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

**19 Interest-bearing liabilities**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b><i>Current</i></b>					
Short-term borrowings from financial institutions					
Promissory notes - unsecured		14,560	5,060	11,000	2,000
Liabilities under trust receipts					
- unsecured		131	106	-	-
Short-term borrowings					
- secured		-	129,977	-	129,977
Short-term borrowings					
- unsecured		35	-	-	-
<b>Total</b>		<b>14,726</b>	<b>135,143</b>	<b>11,000</b>	<b>131,977</b>
Short-term borrowing from subsidiary - unsecured	6	-	-	-	2,359
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,359</b>
Current portion of liabilities under finance leases		61	28	-	-
<b>Total</b>		<b>61</b>	<b>28</b>	<b>-</b>	<b>-</b>
Current portion of long-term borrowing from financial institution		4,914	-	4,914	-
<b>Total</b>		<b>4,914</b>	<b>-</b>	<b>4,914</b>	<b>-</b>
<b>Total current</b>		<b>19,701</b>	<b>135,171</b>	<b>15,914</b>	<b>134,336</b>
<b><i>Non-current</i></b>					
Debentures		140,000	50,000	140,000	50,000
Long-term borrowings from financial institutions - secured		36,301	-	36,301	-
Long-term borrowings from financial institutions - unsecured		2,000	-	-	-
Liabilities under finance leases		478	165	-	-
<b>Total non-current</b>		<b>178,779</b>	<b>50,165</b>	<b>176,301</b>	<b>50,000</b>
<b>Grand total</b>		<b>198,480</b>	<b>185,336</b>	<b>192,215</b>	<b>184,336</b>

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

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Within one year	19,640	135,143	15,914	134,336
After one year but within five years	99,021	24,088	97,021	24,088
After five years	79,280	25,912	79,280	25,912
<b>Total</b>	<b>197,941</b>	<b>185,143</b>	<b>192,215</b>	<b>184,336</b>

***Short-term borrowings from financial institutions***

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
At 1 January		135,143	-	131,977	-
Increases (decreases)		(120,417)	131,043	(120,977)	129,981
Acquired through business combinations	5	-	2,104	-	-
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United States Dollars to Thai Baht		-	1,996	-	1,996
<b>At 31 December</b>		<b>14,726</b>	<b>135,143</b>	<b>11,000</b>	<b>131,977</b>

As at 31 December 2014 the Group had liabilities under trust receipts with local financial institutions which bear interest rates ranging from 2.80% to 2.85% per annum (2013: ranging from 2.95% to 3.11% per annum).

As at 31 December 2014 the Group had promissory notes issued to local financial institutions denominated in Thai Baht which bear interest rates ranging from 2.10% to 2.98% per annum (2013: ranging from 2.78% to 3.53% per annum) and mature within September 2015.

As at 31 December 2014 the Group had short-term borrowings from a foreign financial institution denominated in U.S. Dollar which bear interest at the rate of 2.70% per annum (2013: nil) and mature within March 2015.

## CP ALL Public Company Limited and its Subsidiaries

### Notes to the financial statements

In June 2013 the Company entered into a secured short-term borrowing agreement with certain financial institutions totaling USD 6,000 million (or equivalent to approximately Baht 197,696 million, using exchange rate as at 31 December 2013) with floating interest rate at LIBOR plus agreed applicable margin at market rates per annum. As at 31 December 2013 the Company had drawdown the short-term borrowings totaling USD 5,773 million (or equivalent to approximately Baht 190,207 million) for payment of the acquired shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited (see note 5 to the financial statements). In this regard, the Company pledged shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, which were obtained from the business combination through the shares acquisition on 26 June 2013 and the tender offer, as collateral for the borrowings; and must comply with the specified covenants, such as to maintain leverage ratio and interest coverage ratio in the annual financial statements during the borrowing period, etc. As at 31 December 2013, the Company had cancelled the unutilised credit facilities totaling USD 227 million. The Company repaid this short-term borrowing during the year 2014.

The Company still must pledge all shares as collateral as above for the long-term borrowings and debentures in 2014.

Fair values of the shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, as at 31 December 2014, totaled Baht 170,308 million.

#### *Debentures*

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	50,000	-	50,000	-
Increases	90,000	50,000	90,000	50,000
<b>At 31 December</b>	<b>140,000</b>	<b>50,000</b>	<b>140,000</b>	<b>50,000</b>

#### *Debentures 1/2013*

On 31 October 2013 the Company issued Baht 50,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 11,841 million, fully repayable on 31 October 2016 and bearing interest at the fixed rate of 4.10% per annum
- Debentures term of 5 years of Baht 12,247 million, fully repayable on 31 October 2018 and bearing interest at the fixed rate of 4.70% per annum
- Debentures term of 7 years of Baht 10,790 million, fully repayable on 31 October 2020 and bearing interest at the fixed rate of 5.10% per annum
- Debentures term of 10 years of Baht 15,122 million, fully repayable on 31 October 2023 and bearing interest at the fixed rate of 5.35% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 22 September 2014 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013.

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

### **Notes to the financial statements**

#### ***Debentures 1/2014***

On 27 March 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of short-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 3,736 million, fully repayable on 27 March 2017 and bearing interest at the fixed rate of 3.70% per annum
- Debentures term of 5 years of Baht 11,066 million, fully repayable on 27 March 2019 and bearing interest at the fixed rate of 4.30% per annum
- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021 and bearing interest at the fixed rate of 4.85% per annum
- Debentures term of 10 years of Baht 15,314 million, fully repayable on 27 March 2024 and bearing interest at the fixed rate of 5.14% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 22 September 2014 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014.

#### ***Debentures 2/2014***

On 22 August 2014 the Company issued Baht 40,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 6,351 million, fully repayable on 22 August 2017 and bearing interest at the fixed rate of 3.71% per annum
- Debentures term of 5 years of Baht 9,478 million, fully repayable on 22 August 2019 and bearing interest at the fixed rate of 4.25% per annum
- Debentures term of 7 years of Baht 7,520 million, fully repayable on 22 August 2021 and bearing interest at the fixed rate of 4.75% per annum
- Debentures term of 10 years of Baht 16,651 million, fully repayable on 22 August 2024 and bearing interest at the fixed rate of 5.05% per annum

These series of debentures have a credit rating of “A+(tha)” latest updated by Fitch Ratings (Thailand) Limited on 22 September 2014 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 22 August 2014.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Debentures 3/2014

On 26 December 2014 the Company issued Baht 10,000 million unsubordinated and secured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 3 years of Baht 6,000 million, fully repayable on 26 December 2017 and bearing interest at the fixed rate of 3.45% per annum
- Debentures term of 12 years of Baht 4,000 million, fully repayable on 26 December 2026 and bearing interest at the fixed rate of 4.80% per annum

These series of debentures have a credit rating of “A+(tha)” updated by Fitch Ratings (Thailand) Limited on 15 December 2014 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 26 December 2014.

The Company must comply with the specific covenants such as to maintain net debt to equity ratio in the annual consolidated financial statements through the terms of debentures, etc.

### Long-term borrowings from financial institutions

Movement during the year ended 31 December 2014 and 2013 were as follows:

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	95,347	-	93,347	-
Decreases	(52,132)	-	(52,132)	-
<b>At 31 December</b>	<b>43,215</b>	<b>-</b>	<b>41,215</b>	<b>-</b>

As at 31 December 2014 the Group had long-term borrowing agreements with certain local financial institutions and a local branch of a foreign financial institution. Details are as follows:

Borrowing agreement	Type of secured borrowing	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	Secured borrowing	Baht 81,900 million	Floating interest rate at minimum loan rate (MLR) and BIBOR adjust with agreed applicable margin	Every 3 months for a period of 6 years
The second agreement	Unsecured borrowing	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2017
The third agreement	Unsecured borrowing	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2017



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

In this regard, the Group must comply with the specified covenants, such as to maintain leverage ratio of borrowing principal and interest, debt to equity ratio and the shareholdings of the Company in a local subsidiary as stipulated in the agreements, etc.

**Finance lease liabilities**

Details of finance leases liabilities as at 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in million Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	107	(46)	61	44	(16)	28
After one year but within 5 years	390	(124)	266	147	(42)	105
After 5 years	256	(44)	212	71	(11)	60
<b>Total</b>	<b>753</b>	<b>(214)</b>	<b>539</b>	<b>262</b>	<b>(69)</b>	<b>193</b>

As at 31 December 2014 the Group entered into finance lease contracts covering its equipment. Under the terms of the contracts, the Company must comply with certain conditions as stipulated in the agreements.

**Unutilised credit facilities**

As at 31 December 2014 the Group had unutilised credit facilities totaling Baht 957 million (2013: Baht 957 million)

**20 Trade accounts payable**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
Related parties	6	5,561	5,069	5,546	3,974
Other parties		53,751	49,665	25,670	23,644
<b>Total</b>		<b>59,312</b>	<b>54,734</b>	<b>31,216</b>	<b>27,618</b>

**21 Other accounts payable**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
Related parties	6	51	28	6,974	8,933
Other parties		3,468	2,948	1,183	1,480
<b>Total</b>		<b>3,519</b>	<b>2,976</b>	<b>8,157</b>	<b>10,413</b>

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

**22 Other current liabilities**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Accrued personnel expenses	1,823	2,169	1,002	1,253
Accrued royalties and other accrued expenses	1,718	1,332	804	454
Accrued interest expense	1,613	505	1,590	507
Deferred royalties income	1,178	859	1,177	859
Accrued utilities expenses	641	531	449	391
Advance receipts from customers	417	390	-	-
Accrued advertising and sale promotion expenses	269	751	159	656
Accrued rental fees	115	125	109	125
Other	916	621	284	294
<b>Total</b>	<b>8,690</b>	<b>7,283</b>	<b>5,574</b>	<b>4,539</b>

**23 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.

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Statement of financial position</b>				
<b>Obligations for:</b>				
Severance pay for employees	1,710	1,486	927	819
<b>Total</b>	<b>1,710</b>	<b>1,486</b>	<b>927</b>	<b>819</b>
<i>For the year ended 31 December</i>				
<b>Statement of income</b>				
<b>Recognised in profit or loss:</b>				
Severance pay for employees	296	239	129	121
<b>Total</b>	<b>296</b>	<b>239</b>	<b>129</b>	<b>121</b>

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

The Group adopted TAS 19 “Employee Benefits” with effect from 1 January 2011. The Group opted to recognise the transitional obligation as at 1 January 2011 through profit or loss on a straight line basis over 5 years from 1 January 2011. Movements during the years on the provision for the unrecognised transitional obligation were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Unrecognised transitional obligation as at 1 January	76	114	28	41
Recognised through profit or loss for the year	(38)	(38)	(14)	(13)
<b>Unrecognised transitional obligation as at 31 December</b>	<b>38</b>	<b>76</b>	<b>14</b>	<b>28</b>

Movements in the present value of the defined benefit obligations

<i>Year ended 31 December</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Defined benefit obligations at 1 January		1,486	955	819	704
Benefits paid by the plan		(72)	(14)	(21)	(7)
Transitional obligation recognised		38	38	14	13
Current service costs and interest		199	179	105	104
Defined benefit plan actuarial losses		59	22	10	4
Acquired through business combinations	5	-	304	-	-
Transfer employee benefits obligations from related companies		-	2	-	1
<b>Defined benefit obligations at 31 December</b>		<b>1,710</b>	<b>1,486</b>	<b>927</b>	<b>819</b>

Actuarial losses recognised in the statement of income for the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	22	-	4	-
Recognised during the year	37	22	6	4
<b>At 31 December</b>	<b>59</b>	<b>22</b>	<b>10</b>	<b>4</b>

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

	<b>Consolidated/Separate financial statements</b>	
	2014	2013
Discount rate (%)	3.40 and 4.13	4.10
Retirement age ( <i>year</i> )	55 and 60	55 and 60

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

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.

**24 Accrued guarantee deposits**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Guarantee deposits payable to franchisees	3,047	2,599	2,733	2,497
Other accrued guarantee deposits	224	575	421	561
<b>Total</b>	<b>3,271</b>	<b>3,174</b>	<b>3,154</b>	<b>3,058</b>

**25 Share capital**

	<i>Par value per share (in Baht)</i>	<b>Consolidated financial statements/ Separate financial statements</b>			
		2014		2013	
	Number of shares	Baht <i>(in million)</i>	Number of shares	Baht	
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	8,986	8,986	8,986	8,986
<b>At 31 December</b>					
- ordinary shares	1	<b>8,986</b>	<b>8,986</b>	<b>8,986</b>	<b>8,986</b>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	8,983	8,983	8,983	8,983
<b>At 31 December</b>					
- ordinary shares	1	<b>8,983</b>	<b>8,983</b>	<b>8,983</b>	<b>8,983</b>

**Share premium**

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**26 Reserves**

Reserves comprise:

**Appropriations of profit and/or retained earnings**

**Legal reserve**

Section 116 of the Public Limited Company Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Other components of equity*

### *Currency translation differences*

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

### *Differences on acquisition of non-controlling interests*

Differences on acquisition of non-controlling interests recognised in equity relate to difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid.

## **27 Segment information**

The Group has 3 reportable segments which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1: Convenience stores  
Segment 2: Cash and carry  
Segment 3: Other

Other operations include bill payment services, frozen food plant and bakery, and distributor of retailing equipment. None of these segments meets the quantitative thresholds for determining reportable segments in 2014 and 2013.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain relative to other entities that operate within these industries.

### *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: Other

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

Information about reportable segments of the Group for the years ended 31 December 2014 and 2013 were as follows:

***Business segment results***

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>									
Revenue from sale of goods and rendering of services	210,776	201,669	141,828	66,343	24,073	19,496	(18,911)	(15,222)	357,766	272,286
Interest income	193	373	39	27	84	128	(78)	(50)	238	478
Dividend income	4,541	3,495	-	-	-	-	(4,541)	(3,495)	-	-
Net foreign exchange gain	437	-	9	-	(69)	-	-	-	377	-
Other income	13,049	11,958	661	356	505	453	(1,295)	(861)	12,920	11,906
<b>Total revenues</b>	<b><u>228,996</u></b>	<b><u>217,495</u></b>	<b><u>142,537</u></b>	<b><u>66,726</u></b>	<b><u>24,593</u></b>	<b><u>20,077</u></b>	<b><u>(24,825)</u></b>	<b><u>(19,628)</u></b>	<b><u>371,301</u></b>	<b><u>284,670</u></b>
Cost of sale of goods and rendering of services	152,393	148,728	126,771	59,363	18,494	14,959	(16,215)	(12,393)	281,443	210,657
Selling expenses	48,139	43,345	7,871	3,621	1,957	1,478	(1,804)	(1,850)	56,163	46,594
Administrative expenses	10,757	10,987	1,968	991	1,951	1,552	(2,030)	(1,740)	12,646	11,790
Net foreign exchange loss	-	607	-	-	-	(37)	-	-	-	570
Finance costs	8,356	2,179	168	38	11	10	(16)	(13)	8,519	2,214
<b>Total expenses</b>	<b><u>219,645</u></b>	<b><u>205,846</u></b>	<b><u>136,778</u></b>	<b><u>64,013</u></b>	<b><u>22,413</u></b>	<b><u>17,962</u></b>	<b><u>(20,065)</u></b>	<b><u>(15,996)</u></b>	<b><u>358,771</u></b>	<b><u>271,825</u></b>
<b>Profit before income tax expense</b>	<b><u>9,351</u></b>	<b><u>11,649</u></b>	<b><u>5,759</u></b>	<b><u>2,713</u></b>	<b><u>2,180</u></b>	<b><u>2,115</u></b>	<b><u>(4,760)</u></b>	<b><u>(3,632)</u></b>	<b><u>12,530</u></b>	<b><u>12,845</u></b>

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

*Business segment financial position*

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>									
Cash and cash equivalents	24,864	15,642	4,568	5,015	2,772	3,975	-	-	32,204	24,632
Current investments	-	-	-	-	1,232	1,050	-	-	1,232	1,050
Trade accounts receivable	122	119	311	278	5,516	3,144	(5,039)	(2,693)	910	848
Other accounts receivable	2,008	1,980	49	27	3,262	6,767	(3,511)	(7,198)	1,808	1,576
Inventories	10,242	9,219	10,628	9,792	1,373	927	(76)	(22)	22,167	19,916
Investments in subsidiaries	202,238	202,208	-	-	773	773	(203,011)	(202,981)	-	-
Other long-term investments	100	101	-	-	-	-	-	-	100	101
Investment properties	-	-	333	333	-	-	-	-	333	333
Property, plant and equipment	20,036	18,343	52,183	46,804	8,130	6,195	(148)	(69)	80,201	71,273
Goodwill	-	-	125,936	125,936	137	137	-	-	126,073	126,073
Leasehold rights	395	382	2,118	1,571	138	-	-	-	2,651	1,953
Other intangible assets	710	634	47,647	47,470	1,417	306	(108)	(80)	49,666	48,330
Deferred tax assets	281	55	287	207	84	82	10	-	662	344
Other assets	6,188	7,446	1,876	1,341	3,578	3,483	(3,239)	(4,691)	8,403	7,579
<b>Total assets</b>	<b>267,184</b>	<b>256,129</b>	<b>245,936</b>	<b>238,774</b>	<b>28,412</b>	<b>26,839</b>	<b>(215,122)</b>	<b>(217,734)</b>	<b>326,410</b>	<b>304,008</b>

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

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>									
Overdrafts and short-term borrowings from financial institutions	11,000	131,977	3,226	3,166	500	-	-	-	14,726	135,143
Trade accounts payable	31,216	27,618	20,629	18,177	8,890	9,623	(1,423)	(684)	59,312	54,734
Other accounts payable	8,157	10,413	1,747	1,107	842	743	(7,227)	(9,286)	3,519	2,977
Current portion of long-term borrowings from financial institutions	4,914	-	-	-	-	-	-	-	4,914	-
Debentures	140,000	50,000	-	-	-	-	-	-	140,000	50,000
Long-term borrowings from financial institutions	36,301	-	2,000	-	-	-	-	-	38,301	-
Accrued guarantee deposits	3,154	3,058	-	-	336	202	(219)	(86)	3,271	3,174
Deferred tax liabilities	-	-	15,304	15,379	-	-	-	-	15,304	15,379
Other liabilities	6,502	7,716	3,277	2,633	5,023	3,743	(2,797)	(4,462)	12,005	9,630
<b>Total liabilities</b>	<b>241,244</b>	<b>230,782</b>	<b>46,183</b>	<b>40,462</b>	<b>15,591</b>	<b>14,311</b>	<b>(11,666)</b>	<b>(14,518)</b>	<b>291,352</b>	<b>271,037</b>
Capital expenditure	6,167	8,297	7,970	2,053	3,930	2,435	(341)	(247)	17,726	12,538
Depreciation	3,757	3,207	1,494	715	681	584	(214)	(188)	5,718	4,318
Amortisation - leasehold rights	103	98	110	48	-	-	-	-	213	146
Amortisation - other intangible assets	122	96	216	104	62	54	(22)	(17)	378	237
Loss on disposal and write-off of property, plant and equipment	-	93	19	16	1	1	43	-	63	110
Gain on disposal of leasehold rights	(10)	(8)	-	-	-	-	-	-	(10)	(8)



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

*Geographic segment financial position and results*

	Thailand		Other		Eliminate		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>							
Revenue from sale of goods and rendering of services from external customers	357,513	272,230	381	103	(128)	(47)	357,766	272,286
Segment assets	321,083	299,056	5,382	5,008	(55)	(56)	326,410	304,008
Property, plant and equipment	79,803	71,260	398	13	-	-	80,201	71,273

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

**28 Other income**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Sale promotion income	7,346	6,550	7,292	6,550
Income on royalties and other fees relating to licenses income	1,593	1,285	1,593	1,285
Other	3,981	4,000	4,164	4,123
<b>Total</b>	<b><u>12,920</u></b>	<b><u>11,835</u></b>	<b><u>13,049</u></b>	<b><u>11,958</u></b>

**29 Selling expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Convenience store management fees	12,774	11,924	12,774	11,924
Employee benefit expenses	11,363	9,582	8,759	8,270
Advertising and sale promotion expenses	8,780	6,730	7,931	6,532
Utilities expenses	5,999	4,879	4,990	4,432
Depreciation and amortisation	4,643	3,398	3,174	2,740
Rental fees	4,505	3,835	4,397	3,788
Other	8,099	6,246	6,114	5,659
<b>Total</b>	<b><u>56,163</u></b>	<b><u>46,594</u></b>	<b><u>48,139</u></b>	<b><u>43,345</u></b>

**30 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Employee benefit expenses	6,284	5,570	4,811	4,547
Rental fees	958	1,084	905	1,055
Depreciation and amortisation	698	490	434	361
Utilities expenses	267	239	164	169
Other	4,439	4,407	4,442	4,855
<b>Total</b>	<b><u>12,646</u></b>	<b><u>11,790</u></b>	<b><u>10,756</u></b>	<b><u>10,987</u></b>

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

**31 Employee benefit expenses**

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
Salaries, wages and bonus		20,520	17,993	13,687	12,996
Contribution to social security fund		493	346	335	261
Staff welfares		480	348	208	196
Severance pay for employees	23	296	239	129	121
Contribution to provident fund		190	159	112	104
Training expenses		53	49	833	664
Other		87	117	33	32
<b>Total</b>		<b>22,119</b>	<b>19,251</b>	<b>15,337</b>	<b>14,374</b>

The Company and its local subsidiaries have jointly established a contributory registered provident fund to which the Company, subsidiaries and employees each contribute monthly at the rates ranging from 2% to 3% of the employees' basic salaries. The Company's and the subsidiaries' contributions to the provident fund are recorded as expenses in the statement of income as incurred. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

**32 Expenses by nature**

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
Changes in inventories of finished goods and work in progress		(2,513)	(3,102)	(1,051)	(757)
Purchase of finished goods		267,097	198,335	147,825	144,942
Raw materials and consumables used		5,657	5,322	-	-
Employee benefit expenses	31	22,119	19,251	15,337	14,374
Depreciation	14	5,718	4,318	3,757	3,207
Amortisation - leasehold rights		213	146	103	98
Amortisation - other intangible assets	16	378	237	122	96
Rental fees		5,650	5,055	5,391	4,941
Utilities expenses		6,704	5,509	5,261	4,702
Advertising and sale promotion expenses		8,888	6,792	7,931	6,532
Convenience store management fees		12,774	11,924	12,774	11,924
Other		17,568	15,254	13,839	13,001
<b>Total cost of sales of goods and rendering of services, selling expenses and administrative expenses</b>		<b>350,253</b>	<b>269,041</b>	<b>211,289</b>	<b>203,060</b>

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

**33 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Finance costs paid to:</b>				
Subsidiaries	-	-	5	3
Financial institutions	8,482	2,205	8,350	2,176
Other parties under finance lease	36	9	-	-
<b>Total</b>	<b>8,518</b>	<b>2,214</b>	<b>8,355</b>	<b>2,179</b>

**34 Income tax expense**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Current tax</b>					
Current year		2,656	2,069	900	1,175
Over provided in prior year		(5)	-	-	-
		<b>2,651</b>	<b>2,069</b>	<b>900</b>	<b>1,175</b>
<b>Deferred income tax</b>					
Movements in temporary differences		(405)	156	(226)	214
Benefit of tax losses recognised		12	30	-	-
	17	<b>(393)</b>	<b>186</b>	<b>(226)</b>	<b>214</b>
<b>Total</b>		<b>2,258</b>	<b>2,255</b>	<b>674</b>	<b>1,389</b>

**Reconciliation of effective tax rate**

Applicable tax rate (%)	<b>Consolidated financial statements</b>			
	0%	20%	Other	Total
	<i>(in million Baht)</i>			
2014				
Accounting profit (loss) before income tax expense	53	12,589	(112)	12,530
Income tax at the applicable tax rates	-	2,518	-	2,518
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(243)	-	(243)
Benefit of tax losses recognised	-	(12)	-	(12)
Over provided in prior year	-	(5)	-	(5)
<b>Net</b>	<b>-</b>	<b>2,258</b>	<b>-</b>	<b>2,258</b>
2013				
Accounting profit before income tax expense	(51)	12,872	24	12,845
Income tax at the applicable tax rates	-	2,574	-	2,574
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(289)	-	(289)
Benefit of tax losses recognised	-	(30)	-	(30)
<b>Net</b>	<b>-</b>	<b>2,255</b>	<b>-</b>	<b>2,255</b>

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

Applicable tax rate (%)	Separate financial statements	
	20% (in million Baht) 2014	20% 2013
Accounting profit before income tax expense	9,351	11,649
Income tax at the applicable tax rates	1,870	2,330
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(1,196)	(941)
<b>Net</b>	<b>674</b>	<b>1,389</b>

*Income tax reduction*

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014 respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Company and its local subsidiaries has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012

**35 Promotional privileges**

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, a local subsidiary has been granted privileges by the Board of Investment relating to the production of ready-to-serve foods or semi ready-to-serve foods, bakery, and chill. The privileges granted include:

- (a) an exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates;
- (c) an exemption from payment of import duty on necessary raw materials and supplies to be used in the production for export sales for a period of 1 year from the first import date;
- (d) an exemption from the payment of import duty on imported goods with the re-export condition for a period of 1 year from the first import date;
- (e) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period the Company being granted exemption; and
- (f) a permission to deduct 25% of installation costs or construction costs of assets necessary for the Company's operation besides a deduction of their normal depreciation.

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

Revenue from sales of goods under the promoted business of the subsidiary for the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>	
	2014	2013
	<i>(in million Baht)</i>	
Export sales	5	30
Domestic sales	5,236	5,808
<b>Total</b>	<b><u>5,241</u></b>	<b><u>5,838</u></b>

As a promoted company, the subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

**36 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 are based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht/million shares)</i>			
<b>Profit for the year attributable to equity holders of the Company</b>	<b><u>10,154</u></b>	<b><u>10,503</u></b>	<b><u>8,678</u></b>	<b><u>10,260</u></b>
<b>Weighted average number of ordinary shares outstanding during the year</b>	<b><u>8,983</u></b>	<b><u>8,983</u></b>	<b><u>8,983</u></b>	<b><u>8,983</u></b>
<b>Basic earnings per share <i>(in Baht)</i></b>	<b><u>1.13</u></b>	<b><u>1.17</u></b>	<b><u>0.97</u></b>	<b><u>1.14</u></b>

**37 Dividends**

At the annual general meeting of the shareholders of the Company held on 24 April 2014, the Company's shareholders approved the appropriation of 2013 annual dividends of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million, from the profit attributable to equity holders of the Company for the year 2013. The dividends were paid to the Company's shareholders on 20 May 2014.

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the Company's shareholders approved the appropriation of 2012 annual cash dividend payment of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million, The cash dividends were paid to the Company's shareholders on 20 May 2013.

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

**38 Financial instruments**

*Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

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

*Capital management*

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns to the Company's shareholders and benefits to other stakeholders. The management sets strategies to support the Company's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

*Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

The effective interest rates of financial assets as at 31 December 2014 and 2013 and the periods in which the financial assets mature were as follows:

	Effective interest rate (%)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2014</b>					
<b>Current</b>					
- Debt securities	2.40 - 2.63	1,200	-	-	1,200
- Time deposits	2.55 - 3.00	32	-	-	32
<b>Total</b>		<b>1,232</b>	<b>-</b>	<b>-</b>	<b>1,232</b>
<b>Non-current</b>					
- Debt securities	4.38	-	-	100	100
<b>Total</b>		<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>

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

	Effective interest rate (%)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
<b>2013</b>					
<b>Current</b>					
- Debt securities	2.25 - 3.00	1,050	-	-	1,050
<b>Total</b>		<b>1,050</b>	<b>-</b>	<b>-</b>	<b>1,050</b>
<b>Non-current</b>					
- Debt securities	4.38 - 5.90	-	1	100	101
<b>Total</b>		<b>-</b>	<b>1</b>	<b>100</b>	<b>101</b>
	Effective interest rate (%)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
<b>2014</b>					
<b>Non-current</b>					
- Debt securities	4.38	-	-	100	100
<b>Total</b>		<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>
<b>2013</b>					
<b>Non-current</b>					
- Debt securities	4.38 - 5.90	-	1	100	101
- Long-term loans to subsidiary	4.75	-	1,600	-	1,600
<b>Total</b>		<b>-</b>	<b>1,601</b>	<b>100</b>	<b>1,701</b>



**CP ALL Public Company Limited and its Subsidiaries**  
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The effective interest rates of interest-bearing liabilities as at 31 December 2014 and 2013 and the periods in which interest-bearing liabilities mature were as follows:

	Effective interest rate (%)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2014</b>					
<b>Current</b>					
- Promissory notes	2.10 - 2.98	14,560	-	-	14,560
- Liabilities under trust receipts	2.80 - 2.85	131	-	-	131
- Short-term borrowings from financial institutions	2.70	35	-	-	35
- Current portion of liabilities under finance leases	9.00	61	-	-	61
- Current portion of long-term borrowings from financial institutions	MLR and BIBOR adjust with agreed applicable margin	4,914	-	-	4,914
<b>Total</b>		<b>19,701</b>	<b>-</b>	<b>-</b>	<b>19,701</b>
<b>Non-current</b>					
- Debentures	3.45 - 5.35	-	60,720	79,280	140,000
- Long-term borrowings from financial institutions	MLR and BIBOR adjust with agreed applicable margin and fixed rate	-	38,301	-	38,301
- Liabilities under finance leases	9.00	-	266	212	478
- Guarantee deposits payable to franchisees	1.50 - 2.50	-	96	2,733	2,829
<b>Total</b>		<b>-</b>	<b>99,383</b>	<b>82,225</b>	<b>181,608</b>
<b>2013</b>					
<b>Current</b>					
- Promissory notes	2.78 - 3.53	5,060	-	-	5,060
- Liabilities under trust receipts	2.95 - 3.11	106	-	-	106
- Short-term borrowings from financial institutions	LIBOR plus margin	129,977	-	-	129,977
- Current portion of liabilities under finance leases	9.00	28	-	-	28
<b>Total</b>		<b>135,171</b>	<b>-</b>	<b>-</b>	<b>135,171</b>

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

<b>Consolidated financial statements</b>					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
<b>Non-current</b>					
- Debentures	4.10 - 5.35	-	24,088	25,912	50,000
- Liabilities under finance leases	9.00	-	105	60	165
- Guarantee deposits payable to franchisees	2.20 - 2.75	-	102	2,497	2,599
<b>Total</b>		<b>-</b>	<b>24,295</b>	<b>28,469</b>	<b>52,764</b>
<b>Separate financial statements</b>					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
<b>2014</b>					
<b>Current</b>					
- Promissory notes	2.10 - 2.40	11,000	-	-	11,000
- Current portion of long-term borrowings from financial institutions	MLR and BIBOR adjust with agreed applicable margin	4,914	-	-	4,914
<b>Total</b>		<b>15,914</b>	<b>-</b>	<b>-</b>	<b>15,914</b>
<b>Non-current</b>					
- Debentures	3.45 - 5.35	-	60,720	79,280	140,000
- Long-term borrowing from financial institutions	MLR and BIBOR adjust with agreed applicable margin	-	36,301	-	36,301
- Guarantee deposits payable to franchisees	1.50 - 2.50	-	-	2,733	2,733
<b>Total</b>		<b>-</b>	<b>97,021</b>	<b>82,013</b>	<b>179,034</b>
<b>2013</b>					
<b>Current</b>					
- Promissory notes	3.40	2,000	-	-	2,000
- Short-term borrowings from financial institutions	LIBOR plus margin	129,977	-	-	129,977
- Short-term borrowings from subsidiary	0.25	2,359	-	-	2,359
<b>Total</b>		<b>134,336</b>	<b>-</b>	<b>-</b>	<b>134,336</b>
<b>Non-current</b>					
- Debentures	4.10 - 5.35	-	24,088	25,912	50,000
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	-	2,497	2,497
<b>Total</b>		<b>-</b>	<b>24,088</b>	<b>28,409</b>	<b>52,497</b>

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

*Foreign currency risk*

The Group is exposed to foreign currency risk relating to borrowings from financial institutions, borrowings from subsidiaries and purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales of goods, denominated in foreign currencies, for the subsequent period.

At 31 December 2014 and 2013 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Foreign currency	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Cash and cash equivalents</b>					
Foreign currency	China Renminbi	378	1,488	-	-
	United States Dollars	239	677	28	237
	Vietnamese Dong	4	5	-	-
	Hong Kong Dollars	-	1	-	-
<b>Other investments</b>					
Foreign currency	China Renminbi	30	-	-	-
<b>Trade and other accounts receivable</b>					
Foreign currency	China Renminbi	36	2	-	-
	United States Dollars	20	12	-	-
	Vietnamese Dong	17	11	-	-
	Pound Sterling	10	2	-	-
	Swiss Franc	2	-	-	-
Forward currency contracts - to buy and sell	United States Dollars	1	-	-	-
<b>Other current assets</b>					
Foreign currency	China Renminbi	251	513	-	-
	Vietnamese Dong	6	6	-	-
<b>Short-term borrowings from financial institutions</b>					
Foreign currency	United States Dollars	35	129,977	-	129,977
Forward currency contracts - to sell	United States Dollars	-	122,742	-	122,742
<b>Short term borrowings from subsidiary</b>					
Foreign currency	United States Dollars	-	-	-	2,359

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

		<b>Consolidated</b>		<b>Separate</b>		
		<b>financial statements</b>		<b>financial statements</b>		
Foreign currency		2014	2013	2014	2013	
<i>(in million Baht)</i>						
<b>Trade and other accounts payable</b>						
Foreign currency	United States Dollars	413	318	-	-	
	Euro	61	12	-	-	
	Pound Sterling	26	14	-	-	
	Australian Dollars	19	29	-	-	
	Swiss Franc	14	-	-	-	
	China Renminbi	7	-	-	-	
	Vietnamese Dong	6	5	-	-	
	Yen	2	19	-	-	
	Forward currency contracts – to buy and sell	United States Dollars	220	149	-	-
		Pound Sterling	35	2	-	-
Australian Dollars		26	51	-	-	
Euro		1	-	-	-	
<b>Other current liabilities</b>						
Foreign currency	China Renminbi	220	6	-	-	
	Vietnamese Dong	4	6	-	-	
	United States Dollars	-	95	-	95	
Forward currency contracts - to buy	Yen	451	76	-	-	
	Euro	127	136	-	-	
Forward currency contracts - to sell	United States Dollars	3	49	-	-	
	Pound Sterling	5	9	-	-	
	United States Dollars	2	14	-	-	
	Euro	-	37	-	-	
	Swiss Franc	-	1	-	-	

***Credit risk***

Credit risk is the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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

*Determination of fair values*

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group estimates the fair value of financial instruments; cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, and short-term borrowings from financial institutions and subsidiaries, equal to their amounts carried in the statements of financial position because of the short-term maturity of those financial instruments.

The fair value of non-current loans to subsidiaries is considered to be the carrying value because they bear interest at market rates.

The fair value of forward exchange contracts approximate the expected amounts that can be traded in the current exchange rate market.

The fair value of long-term debts is taken to approximate the carrying value because most of these financial instruments bear interest rates at close to market rates.

**39 Supplemental disclosures of cash flows information**

Property, plant and equipment purchased during the years ended 31 December 2014 and 2013 are detailed as follows:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in million Baht)</i>			
Increase during the year	14	15,059	11,669	5,833	7,996
Less - payables		(469)	(307)	314	(274)
- assets under finance leases		(390)	(90)	-	-
<b>Purchase and paid by cash</b>		<b><u>14,200</u></b>	<b><u>11,272</u></b>	<b><u>6,147</u></b>	<b><u>7,722</u></b>

**40 Commitments with non-related parties**

*Capital commitments*

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)		2,106	2,279	-	-
<b>Total</b>		<b><u>2,106</u></b>	<b><u>2,279</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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*Non-cancellable operating lease commitments*

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Within one year	5,863	5,438	5,454	5,124
After one year but within five years	11,404	10,331	10,054	9,248
After five years	3,186	1,622	-	-
<b>Total</b>	<b>20,453</b>	<b>17,391</b>	<b>15,508</b>	<b>14,372</b>

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 31 years, which will expire between 2015 and 2045.

*Other commitments*

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	25	115	-	-
<b>Total</b>	<b>25</b>	<b>115</b>	<b>-</b>	<b>-</b>

*Letters of guarantee*

As at 31 December 2014 the Group has commitments under letters of guarantee with financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 880 million and USD 0.3 million (2013 : Baht 838 million and USD 0.3 million).

*Significant agreements*

As at 31 December 2014 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 deposit rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.

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

### **Notes to the financial statements**

- (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, 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 31 days to 17 months, and will expire on various dates until November 2015.
- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses), and 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 November 2017. 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 days stipulated in the agreement before the expiry date of the agreement.
- (f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies 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 January 2018. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary, CP Retailink Co., Ltd., has repair and maintenance management service agreements with local companies, 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.

#### **41 Events after the reporting period**

- 41.1 At the Company's Board of Directors meeting held on 20 January 2015, the Company's Board of Directors approved
- The increase of authorised share capital of a foreign indirect subsidiary, Successor (China) Investments Limited ("SCI"), from USD 50 million to USD 115 million for capital injection in Nanjing Tianqu Investment Management Co., Ltd.
  - The increase of authorised share capital of a foreign indirect subsidiary, Nanjing Tianqu Investment Management Co., Ltd., held by SCI, from China Renminbi 250 million to China Renminbi 700 million for business opportunity in People's Republic of China.

## CP ALL Public Company Limited and its Subsidiaries

### Notes to the financial statements

- 41.2 In January 2015, a local subsidiary (Siam Makro Public Company Limited (“Siam Makro”)) set up a foreign subsidiary, ARO Company Limited (“ARO”) (registered in Myanmar), which is owned 100% by Makro ROH Co., Ltd. (99.99% owned by Siam Makro). The main business of ARO is providing marketing and consulting services in Myanmar. ARO will have a registered authorised share capital of U.S. Dollar 500,000 and will call for the initial paid-up share capital of U.S. Dollar 25,000. The registration will be completed in February 2015.
- 41.3 At the board of directors’ meeting of a local subsidiary (Siam Makro Public Company Limited) held on 16 February 2015, the subsidiary’s board of directors approved to propose to the annual general shareholders’ meeting of a subsidiary for approval to declare the final dividends from the profit for the equity holders of the subsidiary for the year 2014 of Baht 0.42 per share for 4,800 million ordinary shares, totaling Baht 2,016 million. Such declaration of final dividend payment must be approved by the shareholders’ meeting of the subsidiary.
- 41.4 At the board of directors’ meeting of the Company held on 17 February 2015, the Company’s board of directors approved to propose to the annual general shareholders’ meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2014 of Baht 0.80 per share for 8,983 million ordinary shares, totaling Baht 7,186 million. Such declaration of dividend payment must be approved by the shareholders’ meeting of the Company.

## 42 Thai Financial Reporting Standards not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group’s operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Change in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provision, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015



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<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 40 (revised 2014)	Investment Property	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions involving the Legal Form of a Lease	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions involving Advertising Services	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.