



รายงานประจำปี 2556
Annual Report 2013



บริษัท ซีพี ออลล์ จำกัด (มหาชน)
CP ALL PUBLIC COMPANY LIMITED



รายงานประจำปี 2556
Annual Report 2013

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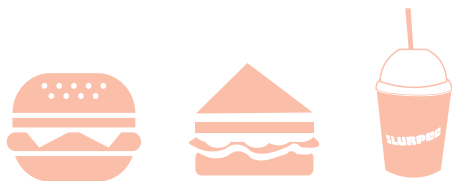
บริษัท ซีพี ออลล์ จำกัด (มหาชน)
CP ALL PUBLIC COMPANY LIMITED



ปรัชญาองค์กร Corporate Philosophy

เราปรารถนารอยยิ้มจากลูกค้าด้วยทีมงานที่มีความสุข

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



วิสัยทัศน์ Vision

เราให้บริการความสะดวกกับทุกชุมชน
We serve convenience to all communities.



พันธกิจ Mission

มุ่งสร้างความผูกพันกับลูกค้า ด้วยสินค้าและบริการที่เปี่ยมด้วยนวัตกรรม
พร้อมทั้งสร้างสัมพันธ์ภาพที่ดีกับชุมชนและสังคม

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



ข้อมูลทางการเงินโดยสรุป

SUMMARY OF FINANCIAL INFORMATION

สำหรับงวดปีสิ้นสุดวันที่ 31 ธันวาคม 2556 • For Fiscal Year Ending 31 December 2013

บริษัท ซีพี ออลล์ จำกัด (มหาชน) และบริษัทย่อย CP ALL Public Company Limited and its Subsidiaries	2554 / 2011	2555 / 2012 (ปรับปรุงใหม่) (Restated)	2556 / 2013 ¹
ข้อมูลจากงบการเงินรวม Consolidated Financial Information		(ล้านบาท) (Million Baht)	
ยอดขายสุทธิและรายได้ค่าบริการ Net Sales and Services Income	155,360	188,702	272,286
รายได้รวม Total Revenue	161,890	197,816	284,670
กำไรสุทธิ Net Profit	8,008	11,049	10,537
เงินสดสุทธิได้มาจากกิจกรรมดำเนินงาน Net Cash Provided by Operating Activities	12,587	23,032	21,624
สินทรัพย์รวม Total Assets	55,341	72,168	288,665
หนี้สินรวม Total Liabilities	33,642	44,812	255,658
ส่วนของผู้ถือหุ้นรวม Total Equity	21,699	27,355	33,007
อัตราส่วนต่อหุ้น Shareholder Ratios		(บาท) (Baht)	
มูลค่าตามบัญชีต่อหุ้น ² Book Value per Share	2.39	3.05	3.67
กำไรสุทธิต่อหุ้น ² Earnings per Share	0.89	1.23	1.17
ปันผลต่อหุ้น ² Dividend per Share	1.13	0.90	0.90
อัตราส่วนทางการเงิน Financial Ratios		(ร้อยละ) (%)	
อัตรากำไรขั้นต้น Gross Margin (Sales and Services)	24.8	25.8	22.6
อัตรากำไรจากการดำเนินงาน EBIT Margin	6.8	7.1	5.3
อัตรากำไรสุทธิ Net Profit Margin	4.9	5.6	3.7
อัตราหนี้สินสุทธิต่อ EBITDA (เท่า) Net Debt to EBITDA (times)	N/A	N/A	8.1
ผลตอบแทนต่อสินทรัพย์รวม Return on Total Assets	15.5	17.3	3.7
ผลตอบแทนต่อส่วนของผู้ถือหุ้น Return on Total Shareholders' Equity	40.8	45.7	37.7

¹ บริษัทได้มีการเข้าซื้อกิจการแม็คโครในระหว่างปี 2556 และรับผู้ผลการดำเนินงานธุรกิจแม็คโครตั้งแต่วันที่ 1 กรกฎาคม ถึง ธันวาคม 2556

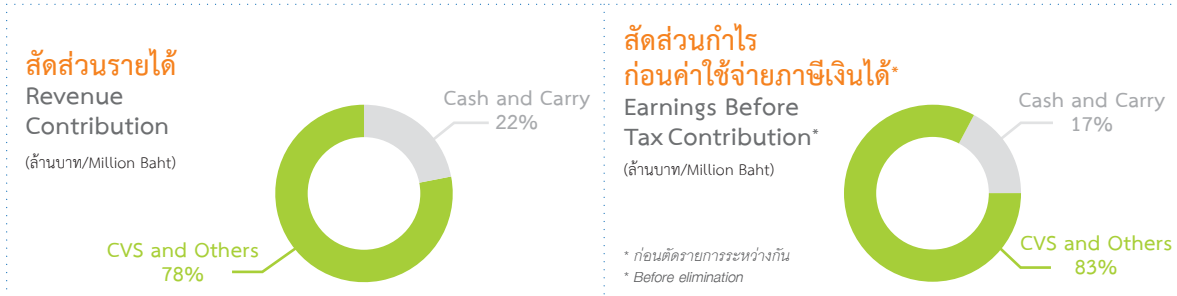
² เนื่องจากบริษัทมีการประกาศจ่ายหุ้นปันผลในระหว่างปี 2555 บริษัทได้รับปรับปรุงจำนวนหุ้นเพื่อใช้ในการคำนวณมูลค่าตามบัญชีต่อหุ้น กำไรสุทธิต่อหุ้น และปันผลต่อหุ้น สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2554 และ 2555 จาก 4,493,148,024 หุ้น เป็น 8,983,101,348 หุ้น

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

² The Company issued the stock dividend during the year of 2012. Thus, the Company has restated the number of ordinary shares used in the computation of book value per share, earnings per share, and dividend per share for the year ended 31 December 2011 and 2012 from 4,493,148,024 shares to 8,983,101,348 shares.

รายได้และผลการดำเนินงานจำแนกตามส่วนงานธุรกิจ

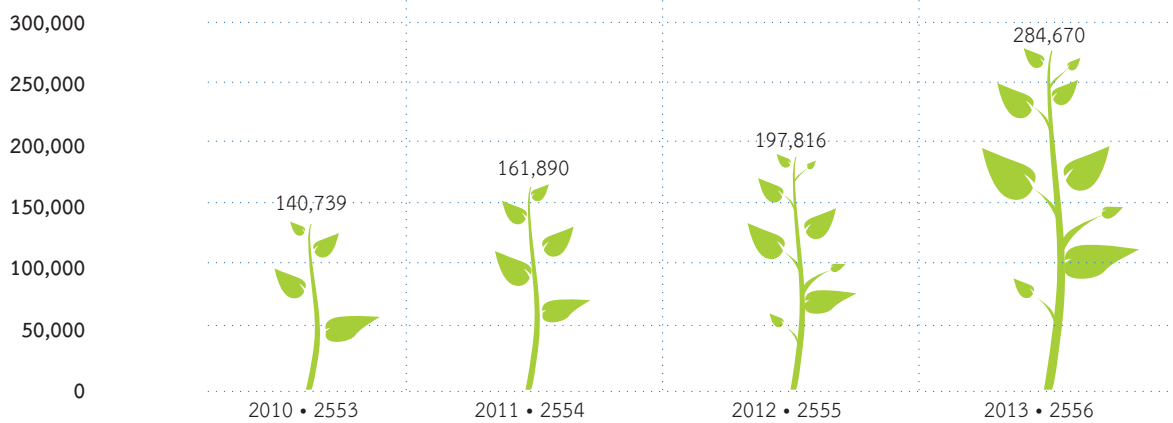
REVENUE AND EARNINGS BEFORE TAX BASED ON BUSINESS SEGMENTS



รายได้รวม

TOTAL REVENUE

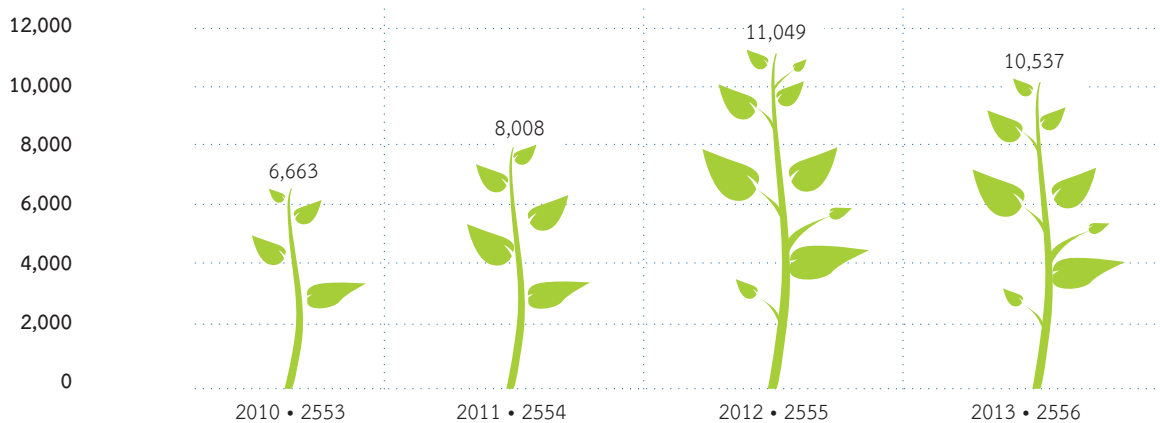
(ล้านบาท/Million Baht)



กำไรสุทธิ

Net Profit

(ล้านบาท/Million Baht)





25 ปี

เคียงข้างอย่างมั่นคงตลอดไป

25 YEARS STEADILY ALONGSIDE FOREVER

จากสาขาแรก ณ หัวมุมถนนพัฒนาพงษ์ มาจนถึงปัจจุบัน 25 ปีผ่านไป
เซเว่นอีเลฟเว่น ร้านอัมสะดวกของคนไทยได้เปิดให้บริการทั่วประเทศ
กว่า 7,400 สาขา และยังคงขยายตัวอย่างไม่หยุดยั้ง เคียงคู่ไปพร้อมๆ กับ
พนักงาน คู่ค้า แพรนส์ไชส์ซี พร้อมให้บริการความสะดวกสู่ทุกชุมชน
ด้วยสินค้าและบริการที่หลากหลาย เต็มเต็มทุกความต้องการ
เพื่อให้ทุกวันเป็นวันที่ดีของทุกคน

From the first store at the corner of Patpong Road 25 years ago,
Today, 7-Eleven celebrates more than 7,400 stores
Along with employees, business partners, and franchisees
To bring convenience to all communities
Making every day a good day for everyone



อร่อย สะอาด ปลอดภัย

เรา พอดีกับ...
ในการคัดเลือกวัตถุดิบ
เข้าร้านบนหลักพิเศษ
เพื่อให้ได้คุณภาพ
"ทอม ออสม"

พร้อมทั้งวัตถุดิบ
คัดคุณภาพ
รับประกัน

"ความสะอาด
ปลอดภัย"

อีกทั้งความ
หลากหลาย
ของเมนูในร้าน
ยังมีทั้ง

"กลุ่มข้าว กับข้าว
กลุ่มข้าวผัด
กลุ่มเส้น และเมนูอื่นๆ"

ดี...สะดวก 7-Eleven

เราปรารถนา รอยยิ้มจากลูกค้า

WISHING TO SEE SMILES FROM CUSTOMERS

ด้วยปณิธานอันแน่วแน่ในการให้บริการกับลูกค้า เพื่อสร้างรอยยิ้ม
และความประทับใจในการใช้บริการที่ร้านเซเว่นอีเลฟเว่น
ด้วยอาหารพร้อมทาน รสชาติอร่อย ถูกสุขอนามัย ทุกมื้อ ทุกเวลา
...เช้า สาย บ่าย เย็น คำ บริการเคาน์เตอร์เซอร์วิส
จับจ่ายผ่านบัตรสมาร์ตเพิร์ส เพื่ออำนวยความสะดวกให้ชีวิตคนไทยง่ายขึ้น
และสะดวกสบายมากขึ้น **ซึ่งนำมาถึงรอยยิ้มแห่งมิตรภาพ
ตลอด 24 ชั่วโมงที่ เซเว่นอีเลฟเว่น**

Determined to excel in customer satisfaction
Through 7-Eleven's superior products and services
With delicious, hygienic and ready-to-eat food for every meal at anytime
Provide convenience of payment services with Counter Service
and e-money through Smart Purse
Bringing friendly smiles 24 hours at 7-Eleven



เสริมความแข็งแกร่ง ผู้นำธุรกิจค้าปลีกในประเทศไทย

STRENGTHENING RETAIL BUSINESS IN THAILAND

การลงทุนครั้งสำคัญของซีพี ออลล์ ในการเข้าซื้อกิจการของ
บริษัท สยามแม็คโคร จำกัด (มหาชน) ซึ่งดำเนินธุรกิจศูนย์จำหน่ายสินค้า
ระบบสมาชิกแบบชำระเงินสด และบริการตนเอง (Cash & Carry)
เป็นการผสมผสานพลังทางธุรกิจเพื่อเพิ่มขีดความสามารถทางการแข่งขัน
พร้อมขยายฐานไปยังผู้ประกอบการธุรกิจด้านอาหาร
ผู้ประกอบการธุรกิจโรงแรม ร้านอาหาร และจัดเลี้ยง
มีส่วนช่วยตอกย้ำความเป็นผู้นำธุรกิจค้าปลีกในประเทศไทยและในภูมิภาคเอเชีย

A remarkable investment of CP All in acquiring Cash & Carry business of
Siam Makro Public Company Limited, Creating synergy for retail business
Strengthening competitive advantages

Expanding customer base to professional food business operators,
Hotels, Restaurants and Catering (HoReCa)

Reinforcing the **No. 1 position in Thai retail business and a leading Asian retailer**



ความเป็นเลิศ

ที่ภาคภูมิใจ

PRIDE IN EXCELLENCE

ด้วยความมุ่งมั่นในการบริหารจัดการธุรกิจให้สัมฤทธิ์ผล ภายใต้ปรัชญาองค์กร

“เราปรารถนารอยยิ้มจากลูกค้า ด้วยทีมงานที่มีความสุข”

บริษัทได้รับรางวัลอันทรงเกียรติจากสถาบันภายนอก ซึ่งเป็นความภาคภูมิใจประกอบด้วย

“รางวัล 50 องค์กรธุรกิจยอดเยี่ยมของทวีปเอเชีย-แปซิฟิก ประจำปี 2556”

“รางวัลมูลค่าของแบรนด์องค์กรสูงสุด ประจำปี 2556”

“รางวัลผู้ดำเนินการธุรกิจค้าปลีกยอดเยี่ยมในภูมิภาคเอเชียแปซิฟิก ประจำปี 2556” และ

“รางวัล CEO Econmass Award 2013”

**รางวัลดังกล่าว เป็นเครื่องยืนยันได้ว่า ซีพี ออลล์ ได้รับการยอมรับจากองค์กรชั้นนำ
ในการบริหารจัดการธุรกิจที่เป็นเลิศ และเป็นที่ยอมรับในระดับสากล**

Committed to managing the business under the corporate philosophy

“Through happy employees, we desire to see smiles from customers”

The Company received esteemed awards from prestigious institutions

Our pride includes “Forbes’ Asia’s Fab 50 Companies 2013”

“Thailand’s Top Corporate Brand Values 2013”

“Best-of-the-Best Retailers Award, Asia Pacific 2013” and

“CEO Econmass Award 2013”

These awards attest to international recognition of CP All

For excellent business management from leading organizations



MESSAGES FROM THE CHAIRMAN AND CHAIRMAN OF EXECUTIVE COMMITTEE

Since the Company's inception in 1988, CP All has operated the convenience store under "7-Eleven" trademark and continues into its 25th anniversary. On this occasion, the Company celebrated 25 years of close ties with the Thai people, expressing its appreciation to customers and business partners as well as reflecting its image as a true friend alongside Thai society in every community. In addition, the Company presented the "Partnership Award 2013" to business partners that have provided continued strong support to the Company's business.

In 2013, Thai economy was affected by the slow pace of global economic recovery which resulted in decreasing in export demand, slowdown in domestic consumption, and political instability at the end of the year. As a result, the Thai economy expanded a mere 2.9 percent. However, due to the Company's nimble and responsive management, the Company was able to effectively deal with these unfavorable factors and continue to record robust growth. In 2013, The Company's total revenue of consolidated financial statement was Baht 284,670 million, increasing 43.9 percent, operating profit was Baht 15,135 million, rising 8.2 percent and net profit was Baht 10,537 million. At the end of 2013, the Company had a 7-Eleven network of 7,429 stores, serving over 9.2 million customers per day.

To enhance competitive advantages in Thai retail industry as well as to prepare for the ASEAN Economic Community (AEC) in 2013, the Company acquired Siam Makro Public Company Limited, a Cash and Carry business which has been operating in Thailand for 25 years. Siam Makro focuses to be the 1st choice supplier to Registered Food Professional and HoReCa (Hotel, Restaurant and Catering). The Company recognizes that the Cash and Carry business has strong potential for growth in both domestic and international markets. Acquiring Siam Makro will create synergy with the Company in long run and will reinforce the Company to be a leader in the retail business in Thailand.

The Company places great emphasis on a sustainable growth strategy and being the "convenience food store of Thais". The Company plans to rollout approximately 600 stores per year, with the aim of reaching 10,000 stores in 2018. Priority will be given to convenience products that are fresh and hygienic and development of new products with business partners in order to offer a wide variety of products which are available only at 7-Eleven stores. Furthermore, the Company has planned to expand investment in subsidiaries in order to increase production capacity of convenience products and bakery products. Distinctive sales promotion activities were organized and it gains good response by customers, such as the "Love Thailand Stamps" which was jointly organized with the Tourism Authority of Thailand. In terms of strengthening infrastructure to support store expansion, the Company's new distribution center is now under construction, located in Mahachai, Samut Sakhon Province and expected to be completed by the first half of 2014.

For sustainable business growth and effective management, the Company continues to focus on Total Quality Management (TQM). Employees at all levels are involved to achieve organizational excellence and Thailand Quality Award (TQA) criteria are used as guidelines for performance excellence. The Company has promoted innovation and improvement of working processes among all departments and employees through various programs such as the President Awards, the Process Excellence Awards, and the Chairman Awards of the CP Group, the most distinguished award for successful projects in the CP Group. In relation to society and communities, the Company joined forces with 5 major Thai organizations, namely the Federation of Thai Industries, the Stock Exchange of Thailand, the National



Science Technology and Innovation Policy Office, the National Science and Technology Development Agency, and the National Innovation Agency, to organize the “7 Innovation Awards”. The objectives of the “7 Innovation Awards” are to support innovation and to provide an opportunity for SMEs to incubate and experiment their researches or invention through 7 Eleven’s various distribution channels and publicizing their works. In addition, the Company established the CP All Employee Volunteer Club which assisted many flood-affected areas at the end of 2013 such as Kabinburi District in Prachinburi Province, Bangkla District in Chacheongsao Province, and Angthong Province. In relation to the environment, besides promoting the reduction of plastic bag usage, the Company promoted the reduction of electricity usage and the reduction of carbon dioxide through the “Energy Saving Project” by gradually replacing fluorescent lights with LED bulbs in all stores nationwide. An energy saving and environmentally friendly model store was constructed at Tara Square. Thai’s Rating of Energy and Environmental Sustainability (TREES) standards established by the Thai Green Building Institute, which is on par with international standards, were used in the store construction.

The Company would like to express sincere appreciation and thanks to all employees, customers, business partners, shareholders and patrons for their consistently supports Company’s businesses. From dedicated management of business operations and joint efforts from all sectors, the Company and its management received numerous prestigious awards from external organizations in the past year. The Company was recognized by Forbes as one of Asia’s Fab 50 Companies 2013, for the third consecutive year, as well as awarded Thailand’s Top Corporate Brand Values 2013 in the service sector, for the third consecutive year, by Chulalongkorn University’s Faculty of Commerce and Accountancy. Furthermore, the Company won the Best-of-the-Best Retailers Award, Asia Pacific from Retail Asia Magazine in cooperation with Euromonitor International and KPMG. Mr. Korsak Chairasmisak, Chairman of Executive Committee, also won the CEO ECONMASS Award 2013 from the Economic Reporters Association which was organized for the first time in 35 years. In addition, from the Corporate Governance Report of Thai Listed Companies 2013 by the Thai Institute of Directors Association, the Company continued to receive a “Very Good” CG score. The Company is proud of its achievements and is determined to operate its business and lead the organization towards continued success with good corporate governance, integrity, transparency, anti-corruption, customer satisfaction, and the interests of all stakeholders in mind. Last but not least, the Company has long-standing commitment to support Thailand’s sustainable economic development for the overall benefit of society and the nation.

(นายธนินท์ เจียรวนนท์)
ประธานกรรมการ

(Mr. Dhanin Chearavanont)
Chairman

(นายก่อศักดิ์ ไชยรัศมีศักดิ์)
ประธานกรรมการบริหาร

(Mr. Korsak Chairasmisak)
Chairman of Executive Committee

คณะกรรมการบริษัท BOARD OF DIRECTORS



ศ.ดร.โกเมน ภัทรภิรมย์
ประธานกรรมการตรวจสอบ
และกรรมการอิสระ
Prof. Dr. Komain Bhatrabhirom
Chairman of the Audit Committee
and Independent Director

นายปรีดี บุญยง
กรรมการตรวจสอบ
และกรรมการอิสระ
Mr. Pridi Boonyong
Audit Committee and
Independent Director

นายอดุง เตชะศรีรินทร์
กรรมการตรวจสอบ
และกรรมการอิสระ
Mr. Padoong Techasarintr
Audit Committee and
Independent Director

ศ.ศุภชัย พิษขุวานิช
กรรมการอิสระ
Prof. Suphachai Phisitvanich
Independent Director

พล.ต.อ.เพชรวาท วงษ์สุวรรณ
กรรมการอิสระ
**Police General Phatcharavat
Wongsuwan**
Independent Director



นายธนินท์ เชียรพนนท์
ประธานกรรมการ
Mr. Dhanin Chearavanont
Chairman

นายทศกิตต์ ไชยริศมีศักดิ์
รองประธานกรรมการ
และประธานกรรมการบริหาร
Mr. Korsak Chairasmisak
Vice Chairman and Chairman
of Executive Committee

นายอดิเรก ศรีประทักษ์
กรรมการ
Mr. Adirek Sripratak
Director

นายอำรุง สรรพสิทธิ์วงศ์
กรรมการ
และกรรมการบริหาร
Mr. Umroong Sanphasitvong
Director and Member
of Executive Committee

นายสุกิตต์ เชียรพนนท์
กรรมการ
Mr. Soopakij Chearavanont
Director



นายณรงค์ เชียรพนนท์
กรรมการ
Mr. Narong Chearavanont
Director

นายประเสริฐ จารุพนิช
กรรมการ
Mr. Prasert Jarupanich
Director

นายพิทยา เชียรวิสิฏกุล
กรรมการ
และรองประธานกรรมการบริหาร
Mr. Pittaya Jearavisitkul
Director and Vice Chairman
of Executive Committee

นายปิยะวัฒน์ ฐิตะสิทธาวรกุล
กรรมการ
และรองประธานกรรมการบริหาร
Mr. Piyawat Titasattavorakul
Director and Vice Chairman
of Executive Committee

นายธานีทร์ บูรณมานิต
กรรมการและกรรมการบริหาร
กรรมการผู้จัดการ
และประธานเจ้าหน้าที่บริหาร
Mr. Tanin Buranamant
Director, Member of Executive
Committee, Managing Director
and Chief Executive Officer



นายสุพจน์ ชิตเกษรพงษ์
เลขาธิการบริษัท
Mr. Supot Shitgasornpongse
Company Secretary

นายกฤษดา เอื้อปิยะชาติ
ผู้จัดการสำนักตรวจสอบภายใน
Mr. Kidsada Eupiyachart
Head of Internal Audit

*นายทศกิตต์ ทัศนวิวัฒน์ เป็นกรรมการอิสระ เมื่อวันที่ 7 สิงหาคม 2555 และลาออก มีผลตั้งแต่วันที่ 7 กุมภาพันธ์ 2556

คณะกรรมการบริหาร EXECUTIVE COMMITTEE

<p>นายก่อศักดิ์ ไชยรัศมีศักดิ์ รองประธานกรรมการ และประธานกรรมการบริหาร</p> <p>Mr. Korskak Chairasmisak Vice Chairman and Chairman of Executive Committee</p>	<p>นายพิทยา เจียรวิสิฏกุล กรรมการ และรองประธานกรรมการบริหาร</p> <p>Mr. Pittaya Jearavisitkul Director and Vice Chairman of Executive Committee</p>	<p>นายปิยะวัฒน์ ชูตะสิทธาวรกุล กรรมการ และรองประธานกรรมการบริหาร</p> <p>Mr. Piyawat Titasattavorakul Director and Vice Chairman of Executive Committee</p>	<p>นายอัฐอง สรรพสิทธิ์วงศ์ กรรมการ และกรรมการบริหาร</p> <p>Mr. Umroong Sanphasitvong Director and Member of Executive Committee</p>	<p>นายธานีทร์ บุรณมานิต กรรมการและกรรมการบริหาร กรรมการผู้จัดการ และประธานเจ้าหน้าที่บริหาร</p> <p>Mr. Tanin Buranamanit Director, Member of Executive Committee, Managing Director and Chief Executive Officer</p>

คณะเจ้าหน้าที่บริหาร EXECUTIVE OFFICERS

<p>นายธานีทร์ บุรณมานิต กรรมการและกรรมการบริหาร กรรมการผู้จัดการ และประธานเจ้าหน้าที่บริหาร</p> <p>Mr. Tanin Buranamanit Director, Member of Executive Committee, Managing Director and Chief Executive Officer</p>	<p>นายสุรพันธ์ ปุสสเด็จ ผู้ช่วยประธานเจ้าหน้าที่บริหารอาวุโส สายงานทรัพยากรบุคคล</p> <p>Mr. Suraphan Pussadej Senior Assistant Chief Executive Officer - Human Resource</p>	<p>นายทวีศักดิ์ แก้วรัตนปัทมา รองกรรมการผู้จัดการอาวุโส สายงานบัญชีและการเงิน</p> <p>Mr. Taweesak Kaewrathtanapattama Senior Vice President - Accounting and Finance</p>	<p>นายชวน นิ่มกิตติกุล รองกรรมการผู้จัดการอาวุโส สายงานศูนย์กระจายสินค้า</p> <p>Mr. Chuan Nimkittikul Senior Vice President - Distribution Center</p>	<p>นายสุวิทย์ ทังแก้ว รองกรรมการผู้จัดการอาวุโส สายงานบริหารทั่วไป</p> <p>Mr. Suwit Kingkaew Senior Vice President - General Management</p>
<p>นายโกษา พงศ์สุวัฒน์ รองกรรมการผู้จัดการอาวุโส สายงานเทคโนโลยีสารสนเทศ</p> <p>Mr. Kosa Pongsupath Senior Vice President - Information Technology</p>	<p>นายชัยโรจน์ ทิวัตต์มุนจโรจน์ รองกรรมการผู้จัดการอาวุโส สายงานปฏิบัติการ</p> <p>Mr. Chairaj Tiwattmuncharoen Senior Vice President - Operation</p>	<p>นายสกอล เตชะสถาพร รองกรรมการผู้จัดการอาวุโส สายงานจัดซื้อ</p> <p>Mr. Skol Tejasataporn Senior Vice President - Purchasing</p>	<p>นายวิเชียร จังวิโรจน์ รองกรรมการผู้จัดการ สายงาน Corporate Asset and Facilities Management</p> <p>Mr. Vichien Chuengviroj Vice President - Corporate Asset and Facilities Management</p>	



DIRECTORS AND MANAGEMENT BIOGRAPHY

Prof. Dr. Komain Bhatarabhirom

81 years old

Position :

Chairman of the Audit Committee and Independent Director

Appointment Date :

December 28, 2005

Experience

Companies Listed on the Stock Exchange of Thailand

1987 - 1993 Director, Thai Airways Public Co., Ltd.
1985 - 1993 Director, Krung Thai Bank Public Co., Ltd.

Non - listed Companies

Present

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

1998 - 2001 Judge, The Constitutional Court

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

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

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

1987 - 1993 Attorney General

1984 - 1993 Director, Provincial Electricity Authority

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2007 Director Accreditation Program (DAP)

2007 Audit Committee Program (ACP)

2007 Accounting for Non-Accounting Audit Committee

2009 Monitoring the Quality of Financial Reporting (MFR)

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

2009 Monitoring the Internal Audit Function (MIA)

Attendance at the Board of Directors' Meeting during 2013 : 10 times out of 10 meetings

(%) shareholding (as at December 27, 2013) : - None -

Mr. Pridi Boonyoung

75 years old

Position :

Audit committee and Independent director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand
- None -

Non - listed Companies

Present

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

Education

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

Relationship

- None -



Training by the Thai Institute of Directors

Association (IOD)

- 2005 Director Accreditation Program (DAP)
- 2010 Audit Committee Program (ACP)

Attendance at the Board of Directors' Meeting

during 2013 : 9 times out of 10 meetings

(%) shareholding (as at December 27, 2013) :

0.00759%

Mr. Padoong Techasarintr

73 years old

Position :

Audit committee and Independent director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand
Present

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

Non - listed Companies

Present

- Audit committee, Panyapiwat Institute of Management
1995 - 1998 Executive Director, Siam City Bank Public Co., Ltd.
- 1994 - 1995 Director - Vice President, Siam City Bank Public Co., Ltd.

Education

- Bachelor Degree in Business and Administration, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- 2001 The Role of Chairman
- 2003 Director Certification Program (DCP)
- 2005 Director Accreditation Program (DAP)
- 2008 Audit Committee Program (ACP)
- 2008 Monitoring the Internal Audit Function

Attendance at the Board of Directors' Meeting

during 2013 : 9 times out of 10 meetings

(%) shareholding (as at December 27, 2013) :

0.00011%

Prof. Suphachai Phisitvanich

73 years old

Position :

Independent director

Appointment Date :

February 26, 2009

Experience

Companies Listed on the Stock Exchange of Thailand
Present

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

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

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

Non - listed Companies

Present

- Chairman, Aira Capital Co., Ltd.
- 2005 - 2007 Chairman of the Audit Committee, CPPC Public Co., Ltd.
- 2005 - 2007 Chairman of the Audit Committee, Business Development Bank (Shanghai-China)
- 2004 - 2008 Member of Appellate Committee, The Securities and Exchange Commission (SEC)



2004 - 2006	Member of Committee, Board of Royal Thai Police
2001 - 2002	Advisor to Finance Minister, Ministry of Finance
1998 - 2001	Permanent Secretary for Finance, Ministry of Finance
1997 - 1997	Deputy Permanent Secretary, Ministry of Finance
1993 - 1996	Director General, Customs Department
1992 - 1992	Director General, Excise Department
1991 - 1991	Director General, Fiscal Policy Office

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

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

Attendance at the Board of Directors' Meeting

during 2013 : 10 times out of 10 meetings

(%) shareholding (as at December 27, 2013) : - None -

Police General Patcharavat Wongsuwan

64 years old

Position :

Independent Director

Appointment Date :

February 19, 2013

Experience

Companies Listed on the Stock Exchange of Thailand

Present

- Independent Director and Audit Committee, Dynasty Ceramic Public Co., Ltd.

Non - listed Companies

Present

- Chairman, IMCC Corp Co., Ltd.
- | | |
|------|---|
| 2008 | Commissioner-General, Royal Thai Police |
| 2005 | Deputy Commissioner-General |
| 2002 | Assistant Commissioner-General |

Education

- Diploma, National Defence College, The State , Private Sector and Political Sectors Course Class 2
- Master of Arts (Social Development), Kasetsart University
- Royal Police Cadet Academy Class 25

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- None -

Attendance at the Board of Directors' Meeting

during 2013 : 8 times out of 10 meetings

(%) shareholding (as at December 27, 2013) : - None -

Mr. Dhanin Chearavanont

74 years old

Position :

Chairman

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

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



Education

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

Relationship

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

Training by the Thai Institute of Directors Association (IOD)

2005 Director Accreditation Program (DAP)

Attendance at the Board of Directors' Meeting

during 2013 : 3 times out of 10 meetings

(%) **shareholding (as at December 27, 2013)** : 0.01705%

Mr. Korsak Chairasmisak

61 years old

Position :

Vice Chairman and Chairman of Executive Committee

Experience

Companies Listed on the Stock Exchange of Thailand
Present

- Vice Chairman, Siam Makro Public Co., Ltd.

Non - listed Companies

Present

- Vice Chairman, Charoen Pokphand Group Co., Ltd.
- Honorary Chief, Panyapiwat Institute of Management
- Chairman, Thai Go Association
- President, World Chinese Wei Qi Federation
- Honorable Member, Behavior Science Research Institute, Srinakharinwirot University
- Committee, Songklanakarin University
- Consultant, Thammasat Association
- Financial Consultant, The Writers Association of Thailand
- Chairman, Panyapiwat Institute of Management Council

1983 - 1987 Executive Vice President (Trading),
Charoen Pokphand Group Co., Ltd.
(Based in Hong Kong)

1979 - 1989 Managing Director, Bangkok Produce Merchandising Co., Ltd.
Managing Director, C.P. Agro-Industry Co., Ltd.
Managing Director, C.P. Intertrade Co., Ltd.
Managing Director, Bangkok Fisheries Co., Ltd.

1973 - 1978 Feed Ingredient Purchasing Manager,
Charoen Pokphand Group Co., Ltd.

Education

- Honorary Doctor of Business Administration in Management, Sripatum University
- Honorary Doctor of Arts, North Chiang Mai University
- Honorary Doctor of Business Administration in Management, Suan Dusit Rajabhat University
- Bachelor of Arts in Economics, Thammasat University
- Certificate of Commerce, Assumption Commerce College

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2000 Director Certification Program (DCP)

2006 The Role of Chairman

Attendance at the Board of Directors' Meeting

during 2013 : 9 times out of 10 meetings

(%) **shareholding (as at December 27, 2013)** :
0.09384%

* Included Employee Joint Investment Program (EJIP)



Mr. Adirek Sripratak

68 years old

Position :

Director

Appointment Date :

August 11, 2005

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

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

Education

- Honorary Doctorate of Philosophy in Food Science, Kasetsart University
- Honorary Doctorate of Philosophy in Food Technology, Mae Fah Luang University
- Honorary Doctorate of Philosophy in Agriculture, Ubon Ratchathani University
- Honorary Doctorate in Science, Maejo University
- Honorary Doctorate in Economics, Chiang Mai University
- Honorary Doctorate in Science and Food Science, Rajamangala University of Technology Isan

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- | | |
|------|--------------------------------------|
| 2001 | Director Certification Program (DCP) |
| 2005 | Director Accreditation Program (DAP) |

Attendance at the Board of Directors' Meeting

during 2013 : 9 times out of 10 meetings

(%) shareholding (as at December 27, 2013) : - None -

Mr. Umroong Sanphasitvong

61 years old

Position :

Director and Member of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand

Present

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

Non - listed Companies

Present

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

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

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

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

Attendance at the Board of Directors' Meeting

during 2013 : 10 times out of 10 meetings

(%) shareholding (as at December 27, 2013) : - None -



Mr. Soopakij Chearavanont

50 years old

Position :

Director

Appointment Date :

August 15, 2003

Experience

Companies Listed on the Stock Exchange of Thailand
Present

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

Non - listed Companies

Present

- Chief Executive Officer, UTV Cable Network Plc.
- Executive Vice Chairman, Charoen Pokphand Group
- Executive Chairman, Telecom Holding Co., Ltd.
- Chairman, True Visions Cable Public Co., Ltd.
- Chairman, True Visions Public Company Limited
- Chairman, Chia Tai Land Holding Company Ltd.
- Chairman, Chia Tai Lotus (Shanghai) Company Ltd.
- Chairman, Chia Tai Property Management Company Ltd.
- Chairman, Chia Tai Real Estate Group Company Ltd.
- Chairman, Fortune Leasing Company Ltd.
- Chairman, Mass Gain Investment Ltd.
- Chairman, Beijing Lotus Supermarket Chain Store Co., Ltd.
- Chairman, SM True Company Limited
- Co-Chairman, Shanghai Kinghill Limited - Super Brand Mall
- Executive Chairman & Chief Executive Office, C.P. Lotus Corporation
- Executive Vice Chairman & CEO, Shanghai Lotus Supermarket Chain Store Co., Ltd.
- Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Co., Ltd.
- Vice Chairman & CEO, Marketing and Distribution Business (China), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Automotive Industrial Business (China), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Marketing and Distribution Business (Thailand), Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Real Estate and Land Development Business (Thailand), Charoen Pokphand Group Co., Ltd.

- Vice Chairman, Telecommunication Business, Charoen Pokphand Group Co., Ltd.
- Vice Chairman, Chia Tai International Finance Company Ltd.
- Vice Chairman, Chia Tai Trading (Beijing) Company Ltd.
- Vice Chairman, Chia Tai Vision Ltd.
- Vice Chairman, Shanghai Fortune World Development Co., Ltd.
- Non-Executive Director, Ping An Insurance (Group) Company of China Ltd.
- Director, Chia Tai Development Investment Company Ltd.
- Director, Chia Tai Group Company Ltd.
- Director, CP Pokphand Co., Ltd.
- Director, Fortune Shanghai Ltd.
- Director, Lotus-CPF (PRC) Investment Company Ltd.
- Director, True Move Company Limited

Education

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

Relationship

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

Training by the Thai Institute of Directors

Association (IOD)

- None -

Attendance at the Board of Directors' Meeting during 2013 : 3 time out of 10 meetings

(%) shareholding (as at December 27, 2013) :

0.00248%

Mr. Narong Chearavanont

49 years old

Position :

Director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand
Present

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



Non - listed Companies

Present

- Director, Shanghai Yilian Supermarket Co., Ltd.
- Director, Shanghai Ailian Supermarket Co., Ltd.
- Director, Shanghai Songlian Supermarket Co., Ltd.
- Director, Wenzhou Yichu Ailian Supermarket Co., Ltd.
- Director, Shanghai Cailian Supermarket Co., Ltd.
- Director, Nantong Tonglian Supermarket Co., Ltd.
- Director, Kunshan Tailian Supermarket Co., Ltd.
- Director, C.P Zong (Shanghai) Management Co., Ltd.
- Director, Shantou Lotus Supermarket Chain Store Co., Ltd.
- Director, Guangzhou Lotus Supermarket Chain Store Co., Ltd.
- Director, Beijing Lotus Supermarket Chain Store Co., Ltd.
- Vice Chairman, CP Food Product (Shanghai) Co., Ltd.
- Chief Executive Officer, Shanghai Litai Logistics Co., Ltd.
- Director, Chia Tai Qingdao Holdings (Hong Kong) Co., Ltd.
- Director, Chia Tai Xiangyang Holdings (Hong Kong) Co., Ltd.
- Director, Chia Tai Qingdao Holdings Co., Ltd.
- Director, Chia Tai Xiangyang Holdings Co., Ltd.
- Director, Grand River Park Co., Ltd.
- Director, Grand River Place Co., Ltd.
- Director, Grand River Front Co., Ltd.
- Vice Chairman, SM True Co., Ltd.
- Senior Executive Assistant to Chairman, Charoen Pokphand Group "Global Talent Recruitment"
- President, CP Corporate University
- Vice Chairman, Panther Entertainment Co., Ltd.
- Vice Chairman, Marketing and Distribution Business (Thailand)
- Vice Chairman, Marketing and Distribution Business (China)
- Vice Chairman, Real Estate & Land development Business (China)
- Vice Chairman, Shanghai Kinghill Co., Ltd.
- Vice Chairman, CP Lotus Corporate Management Co., Ltd.
- Director, True Visions Cable Public Co., Ltd.
- Director, Cineplex Co., Ltd.
- Director, Satellite Service Co., Ltd.
- Director, Wuxi Ailian Supermarket Chain Store Co., Ltd.
- Director, Wuxi Yilian Supermarket Co., Ltd.
- Director, Taizhou Yilian Supermarket Co., Ltd.
- Director, Hefei Ailian Supermarket Co., Ltd.
- Director, Changsha Chulian Supermarket Co., Ltd.
- Director, Wuhan Yichu Ailian Supermarket Co., Ltd.
- Director, Changsha Ailian Supermarket Co., Ltd.
- Director, Guangzhou Lotus Supermarket Chain Store Co., Ltd.
- Director, CPPC Co., Ltd.
- Director, True Visions Public Co., Ltd.
- Director, Beston Action Utility Wear (Lianyungang) Co., Ltd.
- Director, Jiangsu CP Lotus Supermarket Chain Store Co., Ltd.
- Director, Beijing CP Lotus Supermarket Chain Store Co., Ltd.
- Director, Zhejiang CP Trading Co., Ltd.
- Director, Foshan C.P. Lotus Management Consulting Co., Ltd.
- Executive Vice Chairman, CP Lotus Corporation
- Executive Vice Chairman, Chia Tai (China) Investment Co., Ltd.
- Director, Qingdao Lotus Supermarket Co., Ltd.
- Director, Xi'an Lotus Supermarket Chain Store Co., Ltd.
- Director, Shantou Lotus Supermarket Chain Store Co., Ltd.
- Director, Tai'an Lotus Supermarket Chain Store Co., Ltd.
- Director, Beijing Lotus Supermarket Chain Store Co., Ltd.
- Director, Business Development Bank
- Director, Yangtze Supermarket Investment Co., Ltd.
- Director, Wuhan Lotus Supermarket Chain Store Co., Ltd.
- Director, Shanghai Lotus Supermarket Chain Store Co., Ltd.

2007 - 2010 Director, CP Pokphand Co., Ltd.

1997 President, Ek-Chor Trading (Shanghai) Co., Ltd.

1995 - 1997 President, Ek-Chor Distribution (Thailand) Co., Ltd.



Education

- Honorary Doctor of Business Administration Program, Ramkhamhaeng University
- Advance Management Program : Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University
- Bachelor of Science, Major : Business Administration, New York University, USA

Relationship

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

Training by the Thai Institute of Directors Association (IOD)

2007 Director Accreditation Program (DAP)

Attendance at the Board of Directors' Meeting during 2013 : 8 times out of 10 meetings

(%) **shareholding (as at December 27, 2013) :** 0.00339%

Mr. Prasert Jarupanich

65 years old

Position :

Director

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand Present

- Director, Siam Makro Public Co., Ltd.

Non - listed Companies

Present

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

Education

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

- Bachelor Degree in Computer Science, University of Missouri at Rolla

Experiences

- None -

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2004 Director Certification Program (DCP)

2004 Finance for non-finance Director

2008 Role of the Compensation Committee

Attendance at the Board of Directors' Meeting during 2013 : 5 times out of 10 meetings

(%) **shareholding (as at December 27, 2013) :** - None -

Mr. Pittaya Jearavitkul

58 years old

Position :

Director and Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand Present

- Director, Siam Makro Public Co., Ltd.

Non - listed Companies

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

Education

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

Relationship

- None -

Training by the Thai Institute of Directors Association (IOD)

2000 Director Certification Program (DCP)

Attendance at the Board of Directors' Meeting during 2013 : 8 times out of 10 meetings

(%) **shareholding (as at December 27, 2013) :** 0.01820%

* Included Employee Joint Investment Program (EJIP)



Mr. Piyawat Titasattavorakul

60 years old

Position :

Director and Vice Chairman of Executive Committee

Appointment Date :

March 11, 1999

Experience

Companies Listed on the Stock Exchange of Thailand
Present

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

Non - listed Companies

Present

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

Education

- Bachelor Degree in Marketing,
Ramkhamhaeng University

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

2001 Director Certification Program (DCP)

Attendance at the Board of Directors' Meeting

during 2013 : 9 times out of 10 meetings

(%) shareholding (as at December 27, 2013) :

0.00092%

* Included Employee Joint Investment Program (EJIP)

Mr. Tanin Buranamanit

50 years old

Position :

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

Appointment Date :

April 28, 2010

Experience

Companies Listed on the Stock Exchange of Thailand
2012 Executive Vice President - Marketing, Operation
and Human Resource, CP ALL Public Co., Ltd.

- 2007 Executive Vice President - Marketing and
Operation, C.P. Seven Eleven Public Co., Ltd
- 1999 Vice President - Marketing and Operation,
C.P. Seven Eleven Public Co., Ltd
- 1999 Assistant Vice President - Marketing,
C.P. Seven Eleven Public Co., Ltd.

Non - listed Companies

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

Education

- Bachelor Degree in Marketing, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

2010 Director Certification Program (DCP)

Attendance at the Board of Directors' Meeting

during 2013 : 10 times out of 10 meetings

(%) shareholding (as at December 27, 2013) :

0.00260%

* Included Employee Joint Investment Program (EJIP)

Mr. Supot Shitgasornpongse

60 years old

Position :

Company Secretary and Vice President - Accounting
and Finance

Appointment Date :

August 13, 2008

Experience

Companies Listed on the Stock Exchange of Thailand
1990 - 1997 General Manager, Thailand Fishery Cold
Storage Public Co., Ltd. and its subsidiaries
1975 - 1977 Programmer, Siam Cement Group
Co., Ltd.

Non - listed Companies

Present

- Subcommittee on Tax Revenue, Thai Chamber
of Commerce
- Banknote management Committee, Banknote
Management Group, Bank of Thailand



- 2008 - 2011 Member, Accounting Standards Technical Assistance Subcommittee and Member, Accounting Systems Formulation Committee, Federation of Accounting Professions
- 1978 - 1990 Administrative Manager, Hoechst Thai Co., Ltd. and its subsidiaries

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- 2003 Company Secretary Program
2004 Director Certification Program (DCP)

(%) shareholding (as at December 27, 2013) :
0.00188%

* Included Employee Joint Investment Program (EJIP)

Mr. Suraphan Pussadej

65 years old

Position :

Senior Assistant Chief Executive Officer - Human Resource

Experience

Companies Listed on the Stock Exchange of Thailand

- 2004 - 2005 Deputy Chief Executive Officer, S Khonkaen Public Co., Ltd.
- 1996 - 2004 Corporate Human Resource Director, Paper & Packaging Business, Siam Cement Group (SCG)
- 1974 - 1996 Human Resource Manager, Siam Cement Group (SCG)

Non - listed Companies

Present

- Advisor, Civil Servant Commission for Bureaucratic Development
- Advisor, Walailuck University

Education

- Master of Art, Political Science, University of Detroit, USA
- Bachelor of Law (Honor), Thammasat University
- Barrister of Law, Thai Bar Association

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- None -

(%) shareholding (as at December 27, 2013) :
0.00365%

* Included Employee Joint Investment Program (EJIP)

Mr. Suwit Kingkaew

64 years old

Position :

Senior Vice President - General Management

Experience

Companies Listed on the Stock Exchange of Thailand

- 1996 - 1998 Assistant Vice President - General Management, C.P. Seven Eleven Public Co., Ltd.

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

2005 Director Certification Program (DCP)
(%) shareholding (as at December 27, 2013) :
0.00641%

* Included Employee Joint Investment Program (EJIP)



Mr. Chuan Nimkittikul

62 years old

Position :

Senior Vice President - Distribution Center Function

Experience

Companies Listed on the Stock Exchange of Thailand

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

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

2006 Finance for non-finance director
Director Certification Program (DCP)

(%) shareholding (as at December 27, 2013) :

0.00737%

* Included Employee Joint Investment Program (EJIP)

Mr. Kosa Pongsupath

62 years old

Position :

Senior Vice President - Information Technology

Experience

Companies Listed on the Stock Exchange of Thailand

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

Non - listed Companies

- None -

Education

- Bachelor Degree in Statistics, Kasetsart University

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- None -

(%) shareholding (as at December 27, 2013) :

0.00242%

* Included Employee Joint Investment Program (EJIP)

Mr. Taweesak Kaewrathtanapattama

57 years old

Position :

Senior Vice President - Accounting and Finance

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

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

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

2007 Director Certification Program (DCP)

(%) shareholding (as at December 27, 2013) :

0.00336%

* Included Employee Joint Investment Program (EJIP)

Mr. Chairaj Tiwatumcharoen

59 years old

Position :

Senior Vice President - Operation Suburb 1

Experience

Companies Listed on the Stock Exchange of Thailand

2008 - 2013 Vice President, CP ALL Public Co., Ltd.

Non - listed Companies

- None -

Education

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



Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- None -

(%) shareholding (as at December 27, 2013) :

0.00457%

* Included Employee Joint Investment Program (EJIP)

Mr. Skol Tejasataporn

59 years old

Position :

Senior Vice President - Purchasing

Experience

Companies Listed on the Stock Exchange of Thailand
2007 - 2013 Vice President, CP ALL Public Co., Ltd.

Non - listed Companies

- None -

Education

- Bachelor of Arts in Economics, Thammasat University

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- None -

(%) shareholding (as at December 27, 2013) :

0.00147%

* Included Employee Joint Investment Program (EJIP)

Mr. Vichien Chuengviroj

58 years old

Position :

Vice President - Corporate Asset and Facilities
Management

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

- None -

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

- None -

(%) shareholding (as at December 27, 2013) :

0.00031%

* Included Employee Joint Investment Program (EJIP)

Mr. Kidsada Euapiyachart

61 years old

Position :

Secretary of Audit Committee and Vice President -
Internal Audit

Experience

Companies Listed on the Stock Exchange of Thailand

- None -

Non - listed Companies

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

Education

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

Relationship

- None -

Training by the Thai Institute of Directors

Association (IOD)

2009 Company Secretary Program

2010 Audit Committee Program

(%) shareholding (as at December 27, 2013) :

0.00026%

* Included Employee Joint Investment Program (EJIP)



BUSINESS OVERVIEW

Policy and Overview of Business Operations

CP ALL Plc. ("the Company") was established in 1988 by the Charoen Pokphan Group to operate the convenience store business in Thailand under "7-Eleven" trademark. The Company was granted a license to use the trademark from 7-Eleven, Inc., USA. In 1989, the first 7-Eleven outlet in Thailand was opened on Patpong Road. Furthermore, the Company operates other related businesses such as bill payment collection service ("Counter Service Co., Ltd."), manufacturing and sale of convenience food and bakery products ("CPRAM Co., Ltd."), sale and maintenance of retail equipment ("CP Retailink Co., Ltd.") payment for products and services through smart cards ("Thai Smart Card Co., Ltd."), information technology services ("Gosoft (Thailand) Co., Ltd."), logistics services ("Dynamic Management Co., Ltd."), marketing services ("MAM Heart Co., Ltd."), educational institution ("Suksapiwat Co., Ltd."), and training and business seminar services ("Panyatara Co., Ltd." and "All Training Co., Ltd."), etc.

Policy and Company Direction

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

Corporate Philosophy

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

Vision

We serve convenience to all communities.

Mission

To create customer engagement with innovative product and service and to enhance good relations with community and society.

With regards to 7-Eleven store expansion, the Company has plans to further open approximately 600 new stores annually, with the milestone of 10,000 stores in 2018. With the strategy of being the convenience food store of Thais, emphasis will be placed on ready-to-eat foods that are fresh, clean and safe and developing new products with business partners to offer a variety of new products that are available only in 7-Eleven stores. At the end of the year 2013, the Company had a total of 7,429 stores nationwide. Of the total, 3,395 stores are in Bangkok and its vicinities (46 percent) and 4,034 stores are in provincial areas (54 percent). According to type of store, there are 3,248 corporate stores (44 percent), 3,593 franchise stores (48 percent), and 588 sub-area license stores (8 percent). Presently, an average of 9.2 million customers visits 7-Eleven stores each day.



In 2013, the Company expanded another 607 new stores both as stand-alone stores and stores located in PTT gas stations to reach more target customers both in Bangkok and its vicinities and provincial areas. At the end of 2013, the Company had 6,373 stand-alone stores (86 percent) and 1,056 stores in PTT gas stations (14 percent).

Significant Changes and Developments

On April 22, 2013, the Board of Directors approved the acquisition of shares of Siam Makro Public Company Limited (“Makro”), Siam Makro Holding (Thailand) Limited (“Makro Holding”), and OHT Company Limited (“OHT”). Consequently, the Company held directly and indirectly 64.35 percent of the total issued and paid-up shares of Makro at a price of Baht 787.00 per share, or equivalent to USD 27.50 per share by proceeding to execute the sale and purchase agreement with SHV Nederland B.V. (“SHV”). In addition to such acquisition of shares, the Company has obtained the rights to use the intellectual property and information technology of Makro. Additionally, the Board of Directors approved that the Company made a tender offer for all securities of Makro at a price of Baht 787.00 per share in accordance with the Chain Principle and Mandatory Tender Offer Principle. The Extraordinary Shareholders’ Meeting No. 1/2013 approved this transaction on June 12, 2013 with total consideration of Baht 188,880 million, or equivalent to USD 6,600 million. CPALL completed the tender offer with 97.88 percent stake in Makro and reported the result of the tender offer for the securities of Makro on August 8, 2013.

For the source of funding, the Company used internally generated cash flow and short-term loans from local and foreign financial institutions and planed to refinance the short-term loans to long term credit facilities. The Extraordinary Shareholders’ Meeting No. 2/2013 approved the issuance and offering of the bonds up to Baht 90,000 million in order to repay loans and/or to be used as working capital. The Company achieved the inaugural bond issuance of Baht 50,000 million in late October 2013.

The core business of Siam Makro Public Company Limited (“the Company”) is the operation of membership based Cash & Carry trade centers with an aim to be the 1st choice supplier to registered food professionals and Hotels, Restaurants, and Catering (HoReCa) customers. The Company believed that Makro has high potential growth in both domestic and overseas and synergies from consolidation could be credited for long term. In 2013, Makro reported total revenues of Baht 129,781 million, an increase of 12.9 percent, with consolidated net profit of Baht 4,299 million, rising by 21.6 percent comparing year on year. According to the acquisition of Makro during the second quarter of 2013, the Company has consolidated Makro business segment performance from July to December 2013, resulting in total revenues of Makro of Baht 66,726 million and earnings before tax (before elimination) of Baht 2,903 million, which accounted for 22 percent and 17 percent of the Company’s total revenues and earnings before tax, respectively.

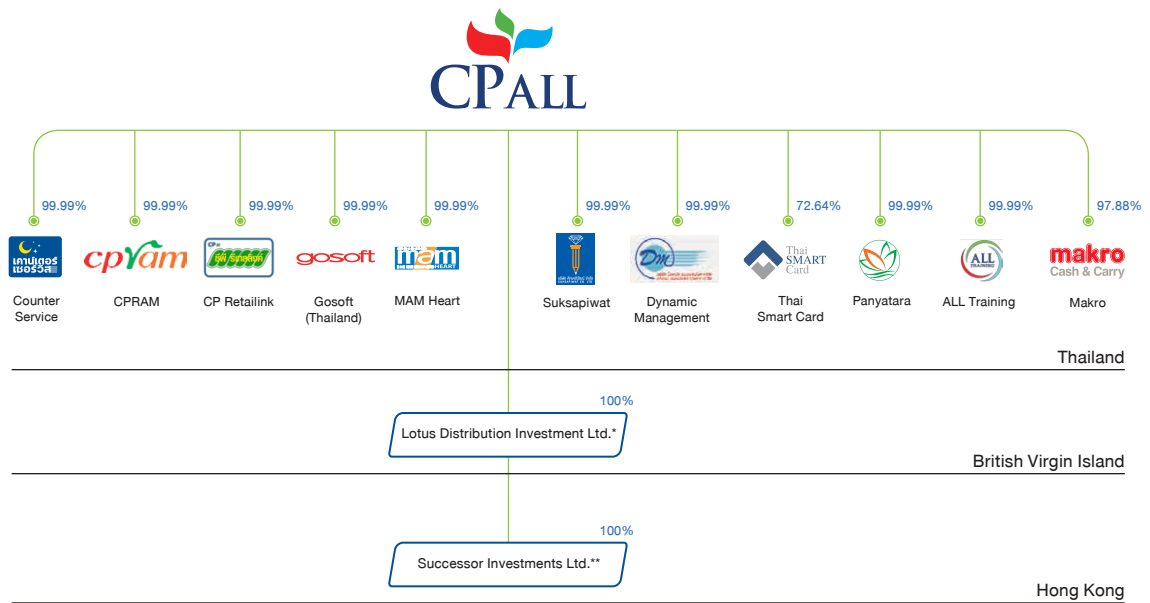


Group Structure of CP ALL Public Company Limited

As at December 31, 2013

The Company became a public company limited registration number 0107542000011 on March 12, 1999. As at December 27, 2013, the Charoen Pokphand Group held 41.31 percent of the Company's paid-up capital.

As at December 31, 2013, the group structure of the Company was as follows:



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

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



COMPANY HISTORY IN BRIEF

1988

- Granted the 7-Eleven license from 7-Eleven, Inc., USA
- Established the Company to operate a convenience store business in Thailand under the “7-Eleven” trademark

1990

- Changed the Company’s name from “C.P. Convenience Store Co., Ltd.” to “C.P. Seven Eleven Co., Ltd.” and opened the first 7-Eleven outlet at Soi Patpong, Bangkok

1994

- Established Counter Service Co., Ltd. to operate the business of bill payment collection service

1996

- Established C.P. Retailing and Marketing Co., Ltd. to operate the business of manufacturing and sale of convenience food and bakery products

1997

- Officially opened Bang Bua Thong distribution center (DC4)

1998

- Established Lotus Distribution Investment Limited
- Became a public company
- Celebrated the 1,000th 7-Eleven store in Thailand

1999

- Established Retailink (Thailand) Co., Ltd. to operate the business of sale and maintenance of retail equipment

2000

- Joined with the China Retail Fund, LDC, a fund under the management of American International Group, to establish Yangtze Supermarket Investment Co., Ltd. to invest in the supercenter business in the PRC
- Established Shanghai Lotus Supermarket Chain Store Co., Ltd.

2001

- Incorporated Thai Smart Card Co., Ltd. with 8 alliances

2002

- Celebrated the 2,000th 7-Eleven store in Thailand
- Co-operated with PTT Public Co., Ltd. to exclusively open 7-Eleven stores in PTT gas stations

2003

- Established Gosoft (Thailand) Co., Ltd.
- Established MAM Heart Co., Ltd.
- Established Dynamic Management Co., Ltd.
- Offered shares to the public and listed the Company on the Stock Exchange of Thailand



2004

- Established Suksapiwat Co., Ltd.
- Awarded the Thai Quality Class: TQC at the Thailand Quality Award 2004

2005

- Celebrated the 3,000th 7-Eleven store in Thailand
- Officially opened Panyapiwat Techno Business School

2006

- Officially opened Suvarnabhumi distribution center (DC5)
- Officially launched “Smart Purse” card and became the first convenience store in Thailand to offer payment of products and services with Smart Purse, a digital cash card
- Established Panyatara Co., Ltd.

2007

- Established Panyapiwat Institute of Technology
- Disposed the assets and investment of Supercenter business in the PRC
- Changed the Company’s name from “C.P. Seven Eleven Public Company Limited” to “CP ALL Public Company Limited” and changed trading symbol from “CP7-11” to “CPALL”

2008

- Increased registered capital in Thai Smart Card Co., Ltd. to Baht 1,600 million on March 28, 2008
- Completed the restructuring of supercenter business in the PRC on October 31, 2008
- Received the highest vote in Thailand for “Asia’s 200 Most-Admired Companies” from The Wall Street Journal Asia’s survey

2009

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



2010

- Officially opened the second chilled distribution center at Suvarnabhumi (CDC2)
- Taxpayer Recognition Award (Award for Being a Responsible Taxpayer) presented by the Ministry of Finance's Revenue Department. CP All is one of the three large juristic entities in Thailand that received the Award
- Gold Award for Retailers in Thailand presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG at the "Retail Asia-Pacific Top 500 Ranking 2010 Awards"
- Received the Best CEO Award for a SET-listed firm 2010 presented by the Stock Exchange of Thailand and Money and Banking Magazine
- Received the Best CEO Award and the Best CFO Award in the Service Industry at the SAA Award for Listed Companies 2010 presented by the Securities Analysts Association
- Completion of assets disposition regarding a connected transaction on the investment in convertible preferred shares (CPS) issued by C.P. Lotus Corporation (C.P. Lotus) to C.P. Holding (BVI) Investment Company Limited (CPH). CPH paid cash for CPS in the amount of Baht 3,787.7 million on September 30, 2010
- Changed the name "Panyapiwat Institute of Technology" to "Panyapiwat Institute of Management" effective since November 23, 2010.

2011

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

2012

- Officially opened the regional distribution center at Lampoon
- Changed the name "Panyapiwat Techno Business School" to "Panyapiwat Technological College" effective from January 4, 2012 onwards.
- Approved Employee Joint Investment Program (EJIP) No.2 with a duration of 5 years, starting from July 1, 2012 till June 30, 2017



- Recognized by Forbes Asia Magazine as one of the 50 best biggest listed companies in the Asia Pacific Region in 2012 (Asia's Fab 50 Companies) for the second time consecutively
- Awarded the Top Corporate Brands 2012 in the service sector in Thailand by Marketing program, Chulalongkorn University's Faculty of Commerce and Accountancy, for the second time consecutively
- Awarded Gold Award for Retailers in Thailand presented by Retail Asia Magazine in partnership with Euromonitor International and KPMG at the "Retail Asia-Pacific Top 500 Ranking 2012 Awards" for the third time consecutively.
- Received the Best CEO Award and the Best CFO Award in the Service Industry at the SAA Award for Listed Companies 2012 presented by the Securities Analysts Association

2013

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



NATURE OF BUSINESS

Revenue Structure

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

Groups of Business	2011*		2012*		2013*	
	Million Baht	%	Million Baht	%	Million Baht	%
Convenience store (7-Eleven)	152,073	92	184,799	92	201,669	70
Cash and Carry (Makro) ¹	-	-	-	-	66,343	23
Other businesses ²	13,106	8	16,812	8	19,496	7
Total net sales and service income	165,179	100	201,611	100	287,508	100

* Data before elimination

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

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

Convenience Store Business

Types of Products or Services

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

In the past, the Company managed the business as a network of stores scattered in communities such as residential areas, offices, educational institutes, tourist attractions and gas stations, having coverage over Bangkok, suburban, and provincial nationwide. In 2013, there were 7-Eleven stores with a total of 7,429 outlets.

Types of 7-Eleven Stores

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

(Unit : stores)	2010	2011	2012	2013	No. of new store openings in 2013
Corporate Stores	2,834	2,926	2,984	3,248	264
Franchise Stores	2,541	2,884	3,320	3,593	273
Sub-Area License Stores	415	466	518	588	70
Total	5,790	6,276	6,822	7,429	607



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

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

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

Product Mix of 7-Eleven

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

Products of the Company are categorized into the following 2 major groups: Foods & Beverage accounting for 72 percent and non-food products excluding phone card accounting for 28 percent.

At the same time, the Company has always developed and enhanced other services for customer convenience and for serving customers' daily routines. The Company continuously strives to expand its alliance partners to provide a wider range of services shown in its payment service which currently has as many as 700 services from more than 300 vendors to better provide convenience to customers. Furthermore, there are ATM machines at the stores which are currently located at approximately 88 percent of total stores.

Nature of Customers

The Company provides purchasing convenience to customers through its store network which is scattered in every community. The Company's customer groups are varied, including people of every gender and age with different occupations, who live and engage in daily activities near 7-Eleven stores. On average, a total of 9.2 million customers nationwide per day purchased products and services from 7-Eleven stores in 2013, increasing from 8.3 million customers nationwide per day in 2012.



Customers who visit 7-Eleven stores have different product and service needs according to store location. Analyzing different behaviors and needs in each location is in order to plan product and service management strategies to best meet the needs of customers. The Company selects types of products appropriate for customer groups that visit each store according to its location and prepares adequate products and services for each time period that customers visit the store, especially during peak selling times which vary from store to store according to location. Peak selling times are different during the day and night, working days and holidays, or the festive seasons or regional significant events. As a result of dividing store cluster according to location, 7-Eleven stores were able to have a continual increase in sales and profits in the past year.

Marketing and Competition in the Convenience Store Business

In 2013, many factors had an impact on economic growth and consumer income and purchasing power. These included low prices of agricultural products, especially rubber, palm oil and corn, in line with world market prices; slowdown in manufacturing and exports in line with the economy of trading partners especially China, Japan, USA and Europe; as well as concerns over the rising cost of living. According to information from the Ministry of Commerce, the price index of the fresh food group (meat, vegetables and fruits) increased. The increase in the price of LPG also had an impact on daily living expenses. The proportion of household debt increased as a result of buying the first car and house, causing long-term obligation. Furthermore, in the last half of the 2013, political demonstrations affected tourism and spending atmosphere at the end of the year.

Despite the economic slowdown, small modern retail stores posted a higher growth rate than the average growth of the overall retail sector which expanded around 6-8 percent. The growth of convenience stores is expected around 10-15 percent. This expansion is due to ability to reach communities and customers easily in line with changing consumer demands such as lower consumption per household following smaller household size as more people are living alone or couples have less children, inability to stock lots of products at home due to the limited size of living quarters such as commercial buildings and condominiums, an urban lifestyle, and worsening traffic problems which have influenced consumers to give greater importance to convenience and speed. Therefore, small modern retail stores located close to home has become an important alternative.

In 2014, it is expected that the retail industry will expand approximately the same as in 2013. Supporting factors include government investment policy, private sector measures to stimulate spending, and preparations to be a member of the ASEAN Economic Community (AEC) leading to business expansion and increased travel and tourism between countries. In order to satisfy customers in this economic slowdown, retailers have invested to improve existing stores to be more modern as well as developed store format to have more features. One such example is the super-convenience store, a small retail store that offers products similar to supermarkets and focuses on selling consumer products and fresh food products. As for 7-Eleven, it continues to focus on being a convenience food store, emphasizing ready-to-eat food products and consumer products necessary for daily life. At the same time, it continues to give importance to various sales promotion strategies in order to attract customers. These strategies include creating loyalty and continuous purchasing through membership cards, increasing purchasing channels through



the internet, and developing communication channels through social network and mobile application to provide convenience to consumers in accessing information, products and services via modern devices which answer to their modern lifestyle in performing various activities through technology.

In 2013, the number of retail stores in the form of chain convenience stores increased 952 stores. Out of this total, 607 stores came from the expansion of 7-Eleven stores.

Number of Thailand Convenience Stores

(Unit : stores)	2010	2011	2012	2013
Stand alone convenience stores	8,883	9,773	9,526	10,404
• 7-Eleven stores	4,920	5,350	5,842	6,373
• Others	3,963	4,423	3,684	4,031
Convenience stores in gas stations	2,075	2,135	1,988	2,062
• 7-Eleven stores	870	926	980	1,056
• Others	1,205	1,209	1,008	1,006
Total convenience stores	10,958	11,908	11,514	12,466

*Remark: Convenience outlets in chain store format
Source: Compilation by CP All Plc.*

Business Strategy and Direction

The Company continues to develop its human resources and find know-how and best practices from around the world as guidance for development, new business opportunities and innovations. Furthermore, the Company has adopted a customer-centric approach and emphasizes systematic thinking, team work, decision-making based on information and facts, and giving value to stakeholders in every business aspect by responding to changing customer demands more swiftly and better than its competitors. The Company has planned for the future, focusing on collaboration within the CP All Group and with external business partners in order to satisfy ever-changing demands, strengthen ties with customers, employees, communities and society, as well as develop better work processes for sustainable growth.

The Company has continuously developed various strategies for appropriate deployment as follows:

1. Maintaining growth through same store sales growth and new stores as well as revenue from new businesses

The Company has focused on closely monitoring different factors that affect consumer income and purchasing power for use in planning and improving strategies in order to swiftly adjust to changes. The Company has emphasized value for money and fun novelty products for the new generation.



Therefore, in order better respond to consumer demands, the Company has assorted and developed products jointly with manufacturers to procure products with quality, size and price suitable to the economic conditions and purchasing power of target consumers. At the same time, the Company strives to create differentiation, newness, and spending atmosphere through sales promotion activities with manufacturers, such as collecting stamps and giving coupons via mobile applications. This helps reduce the expenses of consumers, increase fun of shopping experience, as well as boost sales and customers frequenting the stores.

1.1 Store expansion and product assortment in line with changes in population structure and lifestyle in each area

For the past 10 years, the Company has continuously expanded its stores, at the rate of approximately 400 – 550 stores per year. In 2013, the Company opened 607 new stores in order to cover and cater to the greatest number of consumers. There has been increasing store expansion in the economic cities in the provinces. Even though competition in expansion of small retail stores has intensified, the Company has found that the Thai retail industry still has opportunity for growth and continued store expansion in the communities. In addition, the government policy to support investment in infrastructure in Bangkok, its vicinities, and rural areas is another factor supporting store rollout to cover economic cities in the provinces to better reach target customers. Presently, the proportion of stores in the provinces is 54 percent, covering 80 percent of districts countrywide.

Moreover, to accommodate consumers' changing lifestyle as mentioned previously, the Company has signed a memorandum of understanding with property developers to expand its customer base at projects and nearby communities.

Presently, the Company's stores cover all provinces nationwide with a target to reach 10,000 stores in 2018. Not only does the Company give importance to increasing the number of stores, but also on the quality of the growth and the sustainability of the new stores. Thus, information on changes in demographics is crucial in planning store expansion, assortment and development of products and services to be in line with changing lifestyles. Interesting issues include:

Consumers are increasingly using personal vehicles, partly as a result of the first car policy and the expansion of urban areas. Therefore, the Company has developed stores in gas stations and stand-alone stores. These stores must cater to the behavior of consumers who are increasingly using personal vehicles and must have appropriate parking space. Moreover, due to the hurried lifestyle of urban people, they demand convenience and speed. Meanwhile, smaller families with approximately 3 members per household translate into greater purchase of ready-to-eat foods and smaller buying volume. Consequently, the Company has developed products with size suitable for smaller families and offering greater convenience, including ready-to-eat foods and consumer products.



1.2 Increasing access to the Company's products and services through existing and new businesses

Fierce competition has led to development of products and services and new distribution channels which will increase access to the Company's products and services. In the past, the Company has expanded investment in various businesses which are related to the convenience store business in order to create business network. These include 7-Catalogue (purchasing products from catalog magazines), Counter Service (a bill payment service), and enlarging the variety of products in 7-Eleven stores under various brands such as Book Smile (books and magazines), Kudsan (freshly baked bakery and freshly brewed coffee), and eXta (health and beauty products).

However, the Company has consistently conducted new innovations to further develop these businesses to be able to better satisfy consumers' demands. With regards to Counter Service, the Company has negotiated to expand the variety of payment services offered such as payment of traffic violation fine, educational testing payment including insurance broker services that provide low-priced premiums and uncomplicated insurance conditions.

2. Managing Relationship with Customers and Society

Due to the current trend in increasing competition among retailers, customers have more spending options, both in the choice of stores and online shopping, and give greater consideration before purchasing products. As a result, the Company has developed strategies to deal with these changes by cooperating with business partners to add new products and services in the stores to relate to the lifestyle, activities, and demands of target customers in each area.

For middle-income consumers, more women are working and earning higher income. Furthermore, present day consumers give greater attention to health and beauty. Seeing this as an opportunity to augment revenue, the Company has assorted and developed products, especially food and beverages such as vegetarian food and ready-to-eat vegetables and fruits, to answer to this demand.

In addition, to satisfy new-age consumers who increasingly use technology for convenience, speed, information, and decision making in purchasing products, the Company has studied and developed new channels to offer greater convenience to customers in accessing the Company's products and services. The Company has established 24 Shopping Company Limited to engage in e-commerce. It has also developed 7-Eleven Thailand facebook and 7-Eleven TH application to communicate information and receive feedback from consumers.

The Company has studied consumer behavior through the Customer Relationship Improvement Project that is commissioned annually to closely monitor the changes of its target customers and competitors. Information is then analyzed to find strengths, weaknesses and opportunities to improve customer relationship management through various processes in line with the needs of target customers.



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

The Company has studied consumer behavior and lifestyle of every group in order to monitor demographic and social changes of target customers. This information is used in planning store expansion and assortment and development of products and services that are demanded by customers and in line with the changing lifestyle of customers in each area.

Price competition strategy alone cannot attract customers sustainably. Thus, the Company has emphasized creating differentiation through product development with Team Merchandising. Information from research and advice from experts are used to ensure that the new products and services meet customers' demands, are of high quality, and are different from those offered by competitors. The FBO (First Best Only) approach is utilized in product assortment and development, meaning First launched in 7-Eleven stores, Best quality selected, and Only available at 7-Eleven stores including products developed under the 7-Eleven brand, namely 7-fresh and 7-select and the company strives to improve product and store management by developing methods for store employees to study customer groups and their demands. This enables each store to appropriately assort and sufficiently order products for sale as well as place products so that customers can easily locate them. In order to manage the store's selling space, the Company uses product management principles to learn about product assortment and increase efficiency in area utilization such as decreasing the space between shelves in order to gain more shelf space and expanding shelf space for best-selling products and new products. This results in effective cost management and lower inventory at the stores. The Company has also introduced supporting tools and technology to order products correctly, quickly, and accurately, which increases inventory turnover leading to higher sales and profits.

2.2 Striving to become the convenience food store to respond to the changing behavior and lifestyle of consumers leads to adjusting business strategies to create differentiation and value-added in the long run

Becoming a full format convenience food store continues to be one of the Company's main strategic policies that is emphasized and implemented in order to increase the proportion of food and beverage products, especially ready-to-eat foods which currently account for approximately 20 percent. The Company has created new menus to increase product variety. At the same time, consumer convenience has been increased through growing the number of stores selling ready-to-eat meals. At the end of 2013, over 3,200 stores sold chilled food meals. To be able to deliver quality, delicious, fresh, popular dishes that are price-worthy to consumers, the Company has improved its value chain management including procurement of raw materials, production, distribution and food quality control in collaboration with Team Merchandising. Work processes that the Company has studied, know-how that it has acquired, and global best practices have been adapted in formulating strategies to satisfy consumers in every group. In addition, the Company has continuously focused on development and assortment of new food and beverage products which are renowned and satisfy target customers for sale in its stores. Moreover, the Company has developed its staff to be able to effectively manage food products.



The Company also realizes great importance on food safety. The Company selects and monitors manufacturers with acceptable standards and provides knowledge on improving manufacturing quality standards. Store employees are also trained on good management of products, especially those in the food category. In addition, random inspection of foods and beverages guarantees quality and makes employees more aware of food safety.

3. Increasing Efficiency, Reducing Duplications, and Lowering Costs of Internal Management Leading to Development Opportunities

The Company has improved operational processes through system integration by providing opportunities for management cross functional departments and business alliances in order to develop work processes, including reduce overlap of work processes through the Process Excellence Award Project, create greater effectiveness and reduce time and cost, which will enable focus on new developments to cater to the needs of customers, ultimately leading to increased sales and profits.

4. Having Capable and Dedicated Employees is Sufficient for Business Expansion

The Company highly focuses on improving organizational potential through developing the potential of employees and promoting knowledge sharing to support innovation and organizational knowledge. Employees are one of the Company's key success factors. Because the retail business utilizes a large number of human resources. The Company gives great importance to continuously developing essential competency in all areas. Teamwork is promoted under a strong organizational culture. Plan-Do-Check-Act (PDCA) is emphasized. Knowledge Management (KM), which will ultimately lead to a Learning Organization (LO), is promoted. Committed to creating innovation, the Company encourages learning, sharing and transfer of experiences, best practices and knowledge among employees in a systematic manner for adapted use, improvement of work processes and further innovation within the organization.

The Company promotes education and human resource development through the bilateral education system or work-based learning, which was developed in cooperation with the Office of Vocational Education. This eventually led to the establishment of Panyapiwat Technological College to provide vocational education. The education level and accessibility was further expanded through the establishment of learning centers in Bangkok and its vicinities and in the provinces. Private vocational schools also joined the bilateral education program, teaching through video conference. Furthermore, the Panyapiwat Institute of Management was established to provide Bachelor's and Master's degree programs. The Company recognizes the importance of cooperation with the education sector in developing retail management programs to be abreast of consumer changes and new businesses in order to build retail personnel who are able to effectively respond to changes.



5. Building Networks and Business Alliances for Cooperation and Growth through Innovation

Creating innovation is the heart of developing new businesses, products and services to achieve competitive advantage and sustainable business growth. As a result, the Company has a project to promote an innovation culture in the organization to stimulate thinking out of the box and creative ideas in terms of product innovation, process innovation, service innovation and business model innovation. Besides building an innovation culture, 7-Eleven provides importance on building networks and business alliances, cooperation and teamwork with the manufacturing sector, education sector, government sector, business operators both in the same and different industries, and communities in order to create innovation and value added.

In 2013, the Company organized the “7 Innovation Awards” to promote and support development of national innovations as well as to provide an opportunity for SMEs to have a real channel to test their inventions or researches with actual consumers in the real market. The Company joined with the Federation of Thai Industries, the Stock Exchange of Thailand, the National Science Technology and Innovation Policy Office, the National Science and Technology Development Agency, and the National Innovation Agency to select quality products or services with potential to be further developed for national innovations. Many works that were finalists are products that are sold in 7-Eleven stores and well-accepted by consumers such as toasted sandwiches, grilled Dole bananas, and inexpensive books.

With regards to the Company’s policy to promote SME growth alongside the Thai economy and retail business, the Company has provided various kinds of support including providing knowledge; helping improve quality and standards; offering advice regarding opportunities in the retail business; opening opportunities for quality SME products that are popular among the public to be distributed in 7-Eleven stores; and continuously increasing the ratio of SME products in 7-Eleven stores. At present, the Company has over 400 SMEs as its business partner.



Delivery of Products and Services

The Company strives to continuously develop its value chain to deliver the best to customers. Apart from proper product selection to serve customers' demand under store assortment and store development as a direct contact with customers, the area of product distribution is an important part of the value chain. With continuous developments, the Company has expanded the number of distribution centers in strategic areas in order to accommodate new store expansion and distribute products efficiently and effectively. In 2013, the Company had 5 main distribution centers for regular products and temperature controlled products. In 2014, the Company plans to open a new distribution center in Mahachai, Samut Sakhon Province.

There is strict quality control at every process, timely delivery and increased frequency of delivery in order to improve the efficiency of product delivery to reach stores in a complete, correct and timely manner, ensuring product quality until reaching consumers. In addition, the Company has established a project to guarantee Good Manufacturing Practice (GMP) standards at the distribution centers to further ensure quality and safety of products delivered to customers.

Cash and Carry Business

Types of Products or Services

Siam Makro Public Company Limited is the operator of membership based Cash and Carry Trade Centres, registered under the name of "Makro", throughout Thailand. Makro is committed to be 1st choice supplier to professional food business operators and to enhance satisfaction for core customers through various projects and activities for customer development. As a result, Makro currently has more than 2.5 million memberships. In addition, Makro continually develops products and services to truly meet the demands of retailers and professional food business operators. Furthermore, Makro has organized activities to help small retailers to be able to grow and be competitive in the current challenging environment under the campaign "Makro Retailer Alliance (MRA)", which has expanded to retailers in the provinces.

Makro Stores

At the end of 2013, Makro had a total of 64 stores, an increase of 7 stores. All Makro stores have been designed to serve customers who are business operators, with average selling space of 1,000 - 12,000 square meters per store depending on business potential and core customers of each store. The majority area is allocated for varied food products and is appropriately positioned according to the demands of core customers. A new store format called "Makro Food Service" has been introduced to especially cater to HoReCa (Hotel, Restaurant and Catering) operators and foodservice operators in tourist areas.



Nature of Customers

Currently, Makro's core customer groups consist of:

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

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

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

Future Business Plan

Makro has opportunities for business expansion in the provinces and can increase its customer base and membership.

(Please see additional details in Form 56-1 of Siam Makro Public Company Limited under Nature of Business Part.)



RISK FACTORS

Risk from 7-Eleven Trademark Termination

The Company operates its convenience store business under the Area License Agreement entered with 7-Eleven, Inc., USA since November 7, 1988. Under the terms, the Company is granted a license to operate convenience stores in Thailand under the “7-Eleven” trademark including related trademarks and to obtain training and technical assistance in convenience store business from 7-Eleven, Inc. On August 20, 2003, 7-Eleven, Inc. entered into the Consent Agreement which is an agreement among the Company, the Charoen Pokphand Group (“CPG”) and 7-Eleven, Inc. under which 7-Eleven, Inc. has agreed to give consent to the public offering of shares and the listing of shares for trading on the Stock Exchange of Thailand

The Area License Agreement does not specify the term of the Agreement. However, both parties have the right to terminate the Agreement if any event stipulated in the conditions does occur or if there is any event which constitutes a cause for termination under the Consent Agreement and also results in termination of the Area License Agreement. In case the Area License Agreement is terminated, the Company will lose its right to use the trademark, which will significantly affect the Company’s business. In such case, the Company might also be required to pay damages to 7-Eleven, Inc. In addition, if the relationship between the Company or CPG and 7-Eleven, Inc. turns sour, the Company may not obtain appropriate assistance from 7-Eleven, Inc.

The Company’s Risk Management

For over the past 25 years of good business relationship, the Company has never had any critical conflict with 7-Eleven, Inc. Furthermore, the Company has followed the regulations as per the agreement since signed date. The Company believes that the relationship of itself and CPG with 7-Eleven, Inc. remains good and that its business operation under the “7-Eleven” trademark is of mutual interest. So far, the business relationship and assistance have been satisfactory. The chance that such relationship will turn sour is unlikely. At present, there is no reason to believe that there would be any event that may negatively affect the relationship of the Company and CPG with 7-Eleven, Inc.

Risk from Distribution Center Error or Problem

Most of the products sold in more than 7,400 7-Eleven stores nationwide are delivered via the Company’s distribution centers, with more than two thousand manufacturers and suppliers delivering their products to the distribution centers according to the given delivery date. Therefore, the distribution centers play a vital role in 7-Eleven’s business in distributing products to stores across the country in a correct, complete and timely manner. Errors or problems at the distribution center due to floods, fire, communication system and information technology failure, severe accidents, or any force majeure from the supply chain system from the manufacturer to delivery at the stores, will have an adverse impact on the sales of all 7-Eleven stores and business opportunity, and may negatively affect the Company’s operating performance.



The Company's Risk Management

The Company has set a strategy to increase the construction of distribution centers in safe areas, scattered in the vicinities and provinces throughout the country, in order to reduce risk and support store expansion in the future.

From the abovementioned strategy, all of the Company's distribution centers are able to effectively support one another across the country in case any distribution center experiences disruptions.

The Company has prepared and practiced the incident action plan to deal with various crises such as flooding, riots, fire, and blackouts. There is also a Crisis Assessment Team (CAT) which is responsible for providing warnings about the crisis to various departments in the risk areas so that they can prepare to deal with the crisis in a timely and appropriate manner. Business Continuity Management (BCM) includes using nearby distribution centers to deliver products, transporting products using large trucks, finding alternative products, and establishing temporary distribution centers. The Company has also collaborated with major producers to develop a Business Continuity Plan (BCP) to prepare products and deliver them during crises. In the case of the worst crisis, the Company has appropriately bought insurance to compensate for loss, covering distribution centers, stores and subsidiary companies. However, there are still risks which various plans and insurance may not completely prevent and compensate. The Company still has to depend on manufacturers and suppliers to deliver their products to the distribution centers. Delivery errors of both manufacturers and suppliers may also negatively affect the Company's sales volume.

Risk from Information Technology Error or Problem

The Company has invested in important information technology systems, comparable to the brain of the business, for ordering and communicating to all units in the supply chain to effectively deliver excellent services and create smiles for more than 9.2 million people per day. These systems include the store point of sale system, Call Center, and ordering and delivery system. Therefore, an error or problem in the information technology systems will affect the business operations and ability to serve customers at 7-Eleven stores and may negatively affect the Company's operating performance.



The Company's Risk Management

The Company realizes the importance of information technology at both the store and office level and has established a back-up system that meets generally-accepted standards. The Company has 2 IT centers located in different areas - the Silom IT Center in Bangkok and Chaengwattana IT Center in Nonthaburi Province. These 2 IT centers support each other in case of any problem in one of the centers. In 2013, the Company invested in the Disaster Recovery Plan (DRP) to ensure that in case of the worst unexpected situation happening to one of the IT centers, the IT system will be able to work as normal within an hour. In addition, the Company has a team of experts to prevent against fire and flood in line with international standards. The Company also regularly reviews its Business Continuity Management with regards to information technology for continued development in this area. Furthermore, apart from regular check up by the internal audit team, an external audit company tests on the IT system annually for the highest assurance of the Company's information technology system.

Risk from Controlling Influence of the Charoen Pokphand Group

The Charoen Pokphand Group has direct and indirect control over the Company. In the Consent Agreement with 7-Eleven, Inc., CPG agrees to maintain its minimum shareholding ratio as well as its power to appoint and control the majority of the Company's directors. As at December 27, 2013, companies in the Charoen Pokphand Group continue to hold an aggregate 41.31 percent stake. Therefore, the Charoen Pokphand Group will be able to appoint the majority of the directors and remain influential to the management and administration of the Company, including consideration of or support for matters that require approval from the Company's shareholders.

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

The Company's Risk Management

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



Risks from Laws and Government Policies

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

The Company's Risk Management

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

In addition, the Company has established working groups and units to look after different stakeholder groups. These include the Product Liability Committee to look after the benefits of consumers and franchisees and the Call Center to provide advice and assistance regarding the Company's activities in a systemic and timely manner, 24 hours.

Financial Risk

Exchange Rate Volatility

All of the Company's revenue is generated in Thai Baht. As at 31 December 2013, the Company had liabilities in the form of Baht denominated secured bonds worth Baht 50,000 million U.S. dollar denominated secured and short-term loans worth approximately Baht 132,000 million, for the payment of the share acquisition of OHT Company Limited, Siam Makro Holding (Thailand) Limited, and Siam Makro Public Company Limited. The Company may be affected by the volatility in exchange rates.

The Company's Risk Management

The Company managed the risk from exchange rate volatility by buying forward contracts and planning for the loan structure from dollar denominated into Baht denominated loans, including to issue long-term Baht denominated bonds.



GENERAL INFORMATION AND OTHER INFORMATION

General Information

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

CP All Public Company Limited (“the Company”) is operating convenience stores under the “7-Eleven” trademark as a main business. The symbol of the Company’s stock that trading in the Stock Exchange of Thailand is “CPALL”. The Company has registered as a Public Limited Company since March 12, 1998 and its registration number is 0107542000011.

As at December 31, 2013, the Company has registered capital at Baht 8,986,296,048, of which Baht 8,983,101,348 has been paid up. The paid-up capital comprises with 8,983,101,348 ordinary shares with a par value of Baht 1 per share.

Company Head Office is located at

283 Silom Road, Silom Sub-district, Bangrak District,
Bangkok, Thailand 10500

Telephone : 0 2677 9000
Fax : 0 2679 0050
Homepage : www.cpall.co.th

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

1. Counter Service Co., Ltd.

Type of business : Bill payment collection and life insurance and non-life insurance broker
Registration number : 0105537086432
Head office : 119 Tara Sathorn Tower Floor 4-6, Soi Sathorn 5, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
Homepage : www.counterservice.co.th
Shareholding : 99.99%
Paid up capital : Baht 70 million
Par value : Baht 10 per share

2. CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.)

Type of business : Manufacturing and sale of convenience foods and bakery
Registration number : 0105531097556
Head office : 177 Moo 4, Pathum Thani-Lat Lum Kaeo Road, Raheang, Lat-Lumkaew, Pathum Thani
Homepage : www.cpram.co.th
Shareholding : 99.99%
Paid up capital : Baht 600 million
Par value : Baht 10 per share



3. CP Retailink Co., Ltd. (formerly "Retailink(Thailand) Co., Ltd.")

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

4. Gosoft (Thailand) Co., Ltd.

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

5. MAM Heart Co., Ltd.

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

6. Dynamic Management Co., Ltd.

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



7. Suksapiwat Co., Ltd.

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

8. Panyatara Co., Ltd.

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

9. Thai Smart Card Co., Ltd.

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

10. Panyapiwat Institute of Management

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



11. Panyapiwat Technological College

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

12. All Training Co., Ltd.

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

13. All Corporation Co., Ltd.

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

14. OHT Co., Ltd.

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



15. Siam Makro Holding (Thailand) Ltd.

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

16. Siam Makro Public Company Limited

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

17. Lotus Distribution Investment Limited

Type of business	: Holding Company
Registration number	: 297897
Head office	: P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Homepage	: None
Shareholding	: 100%
Paid up capital	: USD 116.2 million

18. Successor Investments Limited

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



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

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

20. Successor (China) Investments Limited

Type of business : Investment business
 Registration number : 320100400051263
 Head office : Movie & TV City, Shiqiu Town, Lishui County, Nanjing City, PRC
 Homepage : None
 Shareholding : 100%
 Paid up capital : USD 50 million

21. Albuera International Limited

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

22. Siam Food Services Co., Ltd.

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

**23. Vina Siam Food Co., Ltd.**

Type of business : Commercial Trading
Registration number : 411043002045
Head office : 56 Pham Ngoc Thach Street, Ward 6, District 3, Ho Chi Minh City, Vietnam
Homepage : www.vinasiamfood.com.vn
Shareholding : 97.88%
Paid up capital : USD 1.5 million

(3) Other references**Registrar**

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building
62 Rachadapisek Road,
Klongtoey, Bangkok 10110
Telephone : 0 2229 2888 (Call Center)
Website : www.tsd.co.th

Auditor

Charoen Phosamritlert
Certified Public Accounting CPA No. 4068
KPMG Poomchai Audit Ltd.
195 Empire Tower, Floor 50-51,
Sathorn Road, Sathorn, Bangkok
Telephone : 0 2677 2060

Debenture holders' Representative

Bangkok Bank Public Company Limited
333 Silom Road, Bangrak, Bangkok
Telephone : 0 2230 1477-8
Fax : 0 2626 4545-6

Other Information

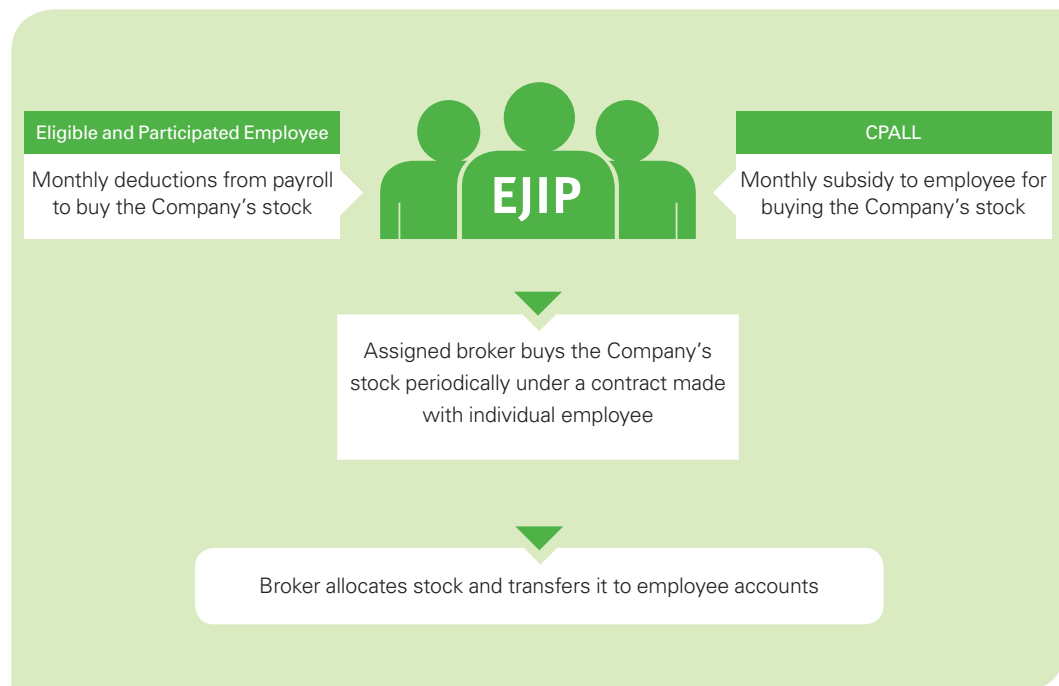
Summary of the Employee Joint Investment Program (EJIP) No. 2

CP All Public Company Limited and its subsidiaries have a policy for creating a sense of ownership, loyalty and the attempt of employees to grow along with the Company. Thus it has launched Employee Joint Investment Program (EJIP) No.2 with the following criteria.

1. Nature of EJIP

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

2. EJIP Arrangement





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

3. Eligible Employee Under EJIP

Managers with the level of assistant department manager or equivalent and above with the working period till the initial contribution date of not less than 3 years, excluding directors and advisors of the Company.



SECURITIES DETAILS AND SHAREHOLDING STRUCTURE

Securities of the Company

As at December 31, 2013, the Company registered capital with Ministry of Commerce was Baht 8,986,296,048, of which Baht 8,983,101,348 had been paid up. The paid up capital comprises of 8,983,101,348 ordinary shares with a par value of Baht 1 per share.

Name list of Shareholders

Major Shareholders	As at 27 December, 2013	
	No. of shares	%
1. C.P. Merchandising Co., Ltd.*	2,673,574,400	29.76
2. Charoen Pokphand Group Co., Ltd.*	1,014,577,400	11.29
3. Thai NVDR Co., Ltd	450,507,077	5.02
4. State Street Bank Europe Limited	279,297,860	3.11
5. J.P. Morgan Ireland (Nominees) Limited	271,112,300	3.02
6. AIA Company Limited-DI-LIFE	239,900,000	2.67
7. UNS Agro Chemical Co., Ltd.	180,000,000	2.00
8. HSBC (Singapore) Nominees Pte Ltd.	170,570,786	1.90
9. The Bank of New York (Nominees) Limited	146,827,789	1.63
10. State Street Bank and Trust Company	139,901,519	1.56
11. Bangkok Produce Merchandising Plc.*	22,883,600	0.25
13. Others	3,393,948,617	37.78
Total	8,983,101,348	100.00

* Denotes companies in the Charoen Pokphand Group which hold a combined shareholding of 41.31 percent of the total paid-up capital



Other Securities

The Extraordinary General Shareholders' Meeting No.2/2013 on September 19, 2013 approved the offering and issuance of the bonds of up to Baht 90,000 million in order to repay loans and/or to be used as working capital.

The Company offered and issued bonds No.1/2013 as details below:

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

DIVIDEND POLICY

The Company's Board of Directors has a policy to propose a dividend payment to shareholders at approximately 50 percent of net profit generated from operations after income tax deduction and statutory reserves from the separate financial statement by contemplating consolidated financial statement. However, the policy will be subject to change should the Board of Directors consider the financial standing, economic situation, operating performance and future projects and find that it is appropriate to propose the shareholders otherwise.

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



MANAGEMENT STRUCTURE

1. Board of Directors

As of December 31, 2013, the Company's Board of Directors consists of 15 members including:

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

Definitions

Executive Directors:

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

Non - Executive Directors:

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

Independent Directors:

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

Qualifications of Independent Directors

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

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



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

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

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



- The business relationship or professional service which make such person's qualifications not in compliance with the prescribed rules;
- The reason and necessity for maintaining or appointing such person as independent director;
- The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

Scope of Authority and Responsibilities of the Board of Directors

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

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

Appointment and Removal of Members of the Board

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

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

Term of Office of Directors

Number of Years per Term

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



Number of Consecutive Terms of Directors

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

The Name of the Board of Directors and Board Members Attendance for the Year 2013 (Number of times) (as of Dec 31st , 2013)

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

Remark: * Mr. Apisak Tantivorawong was Independent Director from 7 August 2012 and resigned, effective on 7 February 2013.

* Pol. Gen Phatcharavat Wongsuwan is Independent Director in place of the one who resigned, effective from 19 February 2013 onwards.

Authorized Directors:

Certification documents of the Company stipulate that the binding signatures must include 2 authorized directors - consisting of any authorized directors from group¹ and group² members, excluding the Chairman and Independent Directors for the existing of the independent compliance with good corporate governance principles. Both directors must sign and affix the Company's seal.



2. Management

As at 31 December 2013, the Company had a total of 13 executives consisting of

1. Executive Committee 5 persons
2. Executive Officer 9 persons (1 person is also in the Executive Committee)

(1) Chairman of the Executive Committee

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

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

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

1. The sale or transfer of all or partial portions of the Company's business to other persons
2. The purchase or takeover or transfer of business from other companies or private companies
3. The execution, amendment and termination of agreements concerning the leasing out of all or substantial parts of the Company's business, the delegation of authority to other persons to manage the business of the Company or consolidation with other persons for the purpose of sharing of profit and loss
4. The amendment of the Memorandum or Articles of Association of the Company
5. The increment or decrement of capital, the issuance of debentures, the consolidation or dissolution of the Company
6. The approval of balance sheets or income statement
7. The appropriation of profits and payment of dividends
8. Approval of remuneration for directors
9. Appointment of auditor and determination of auditor's remuneration
10. The borrowing of money or the guaranteeing of loans or creation of obligations to the Company with financial institutions or other companies in the amount exceeding Baht 500 million per time
11. The lending of money to other companies in the amount exceeding Baht 500 million per time
12. The investment, joint-venture, increment of capital in subsidiaries, affiliates or other companies in the amount exceeding Baht 500 million per time in a year



13. The expenses for investment in large projects or the acquisition of assets of the Company where the cost of such a project or the value of assets exceeds Baht 500 million per time in a year
14. The sale or disposal of fixed assets of the Company at a sale or disposal price exceeding Baht 500 million per time
15. The operation plan and annual budget of the Company

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

Appointment and Removal of the Chairman of the Executive Committee

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

(2) Executive Committee

The Executive Committee consists of at least 3 persons who are the Company's directors and/or the executives of the Company as approved by the Chairman of the Executive Committee. At each Executive Committee Meeting, the Executive Committee may invite other persons such as the representative from management and/or external advisors to join the meeting as deemed necessary.

The Board of Directors Meeting on August 7, 2013 has appointed 5 members of Executive Committee as follows:

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

Scope of Authority and Responsibilities of the Executive Committee

1. Consider the Company's objectives, business strategies, budget, and investment projects. In case the situation changes, the Executive Committee will review the use of the budget and investment projects that were previously approved to be appropriate for the changing situation.
2. Monitor the performance and progress of investment projects and report the overall results including the problems or obstacles encountered and the guidelines for improvement
3. Monitor the results of the Company's risk management



4. Monitor the results of human resource development, appointment and relocation of executives according to human resource plan, remuneration guidelines, and evaluation criteria of high-level executives
5. Consider financing options when there is a need to find funding sources for various investment projects
6. Monitor the use of funds, money management and the Company's financial status
7. Perform any other tasks as considered appropriate and assigned by the Chairman of the Executive Committee

Appointment and Removal of the Executive Committee

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

(3) Managing Director and Chief Executive Officer

The Managing Director and Chief Executive Officer, Mr. Tanin Buranamanit, was appointed by the Board of Directors on 7 August 2013 and is authorized to perform duties in relation to the Company's operations and in compliance with the Company's objectives and the resolutions of the Board of Directors and Executive Committee, with authority as determined by the Chairman of the Executive Committee.

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

Appointment and Removal of the Managing Director and Chief Executive Officer

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

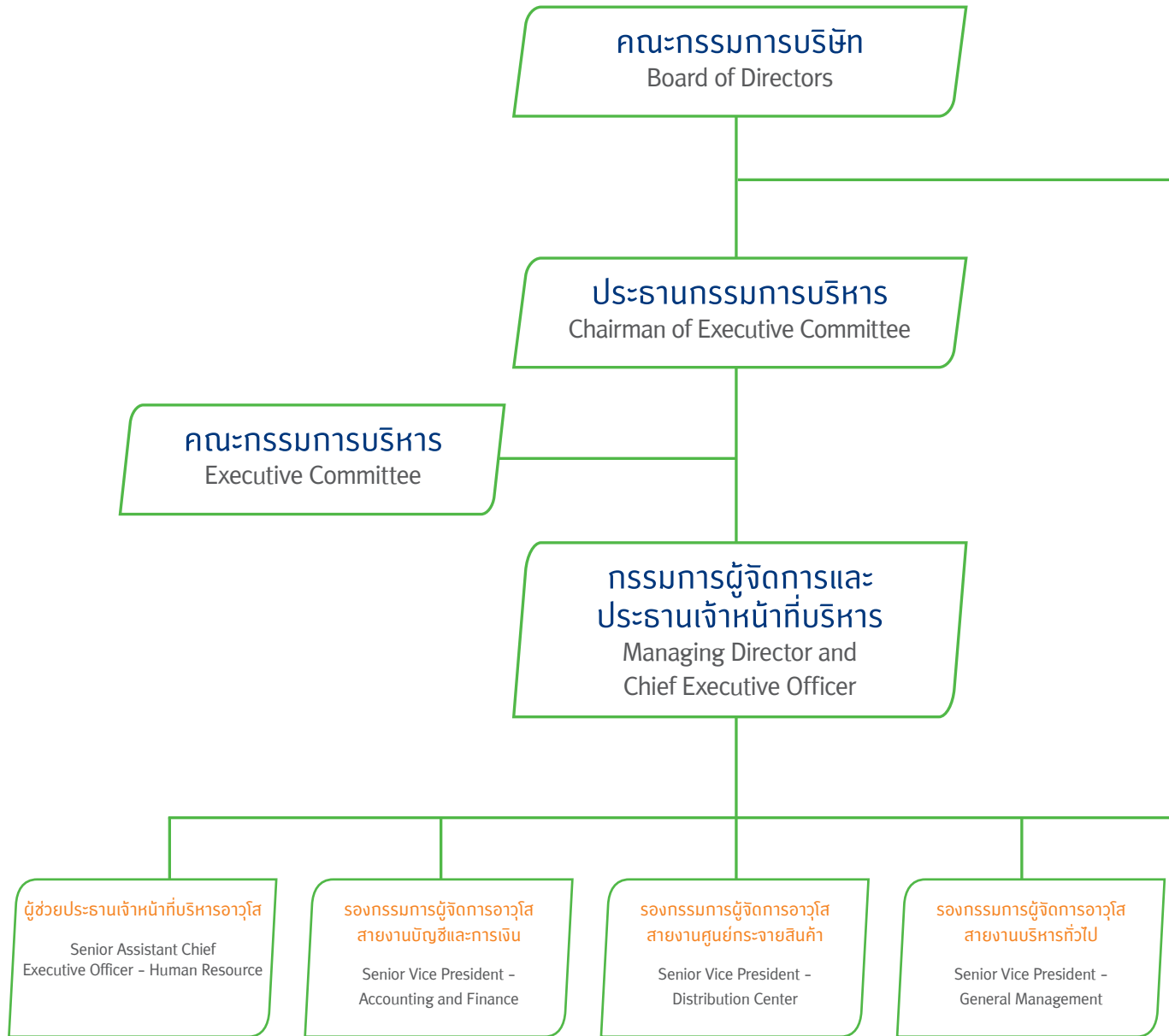
(4) Executive Officers

As at 31 December 2013, the Company had a total of 9 executive officers consisting of

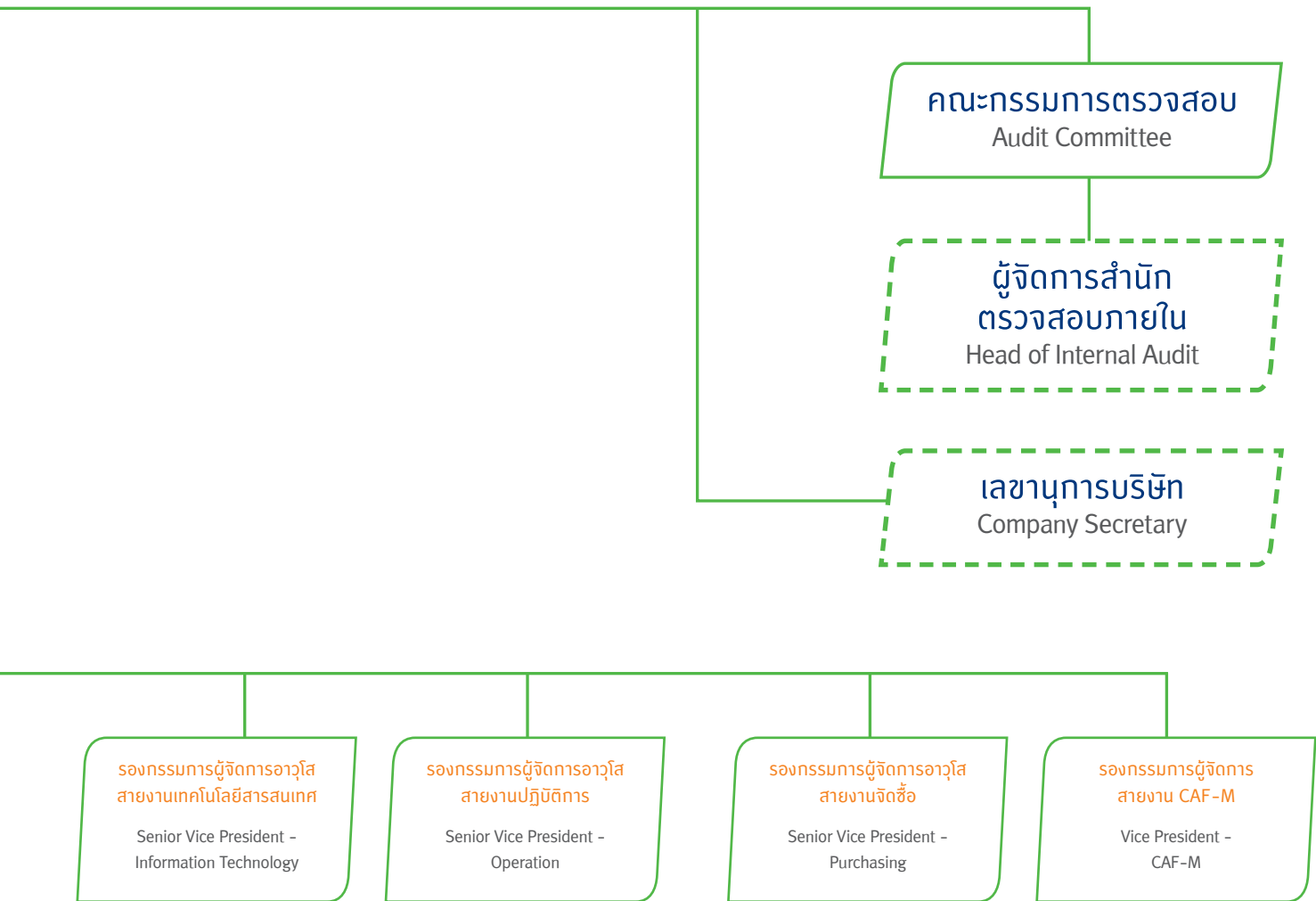
1.	Mr. Tanin	Buranamanit	Managing Director and Chief Executive Officer
2.	Mr. Suraphan	Pussadej	Senior Assistant Chief Executive Officer - Human Resource
3.	Mr. Taweesak	Kaewrathtanapattama	Senior Vice President - Accounting and Finance
4.	Mr. Chuan	Nimkittikul	Senior Vice President - Distribution Centers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

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

โครงสร้างการบริหารจัดการของบริษัท ณ วันที่ 31 ธันวาคม 2556
 COMPANY'S MANAGEMENT STRUCTURE AS OF 31 DECEMBER 2013



ผู้บริหารตามนิยามที่ประกาศกำหนดและต้องเปิดเผยค่าตอบแทน
 Executives who shall declare remuneration





3. Company Secretary

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

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

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

4. Remuneration for Directors and Executives

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



4.1 Cash Remuneration

(A) Remuneration for Directors (January 1, 2013– December 31, 2013)

Name and Surname	Positions	Remuneration	Bonus	Total (Million Baht)
1. Prof. Dr. Komain Bhatrabhirom	Chairman of the Audit Committee and Independent Director	1.200	4.619	5.819
2. Mr. Pridi Boonyoung	Member of the Audit Committee and Independent Director	1.080	4.158	5.238
3. Mr. Padoong Techasarintr	Member of the Audit Committee and Independent Director	1.080	4.158	5.238
4. Prof. Suphachai Phisitvanich	Independent Director	0.720	2.772	3.492
5. Mr. Apisak Tantivorawong	Independent Director	0.072	1.155	1.227
Pol. Gen Phatcharavat Wongsuwan	Independent Director	0.620	-	0.620
6. Mr. Dhanin Chearavanont	Chairman	1.200	4.619	5.819
7. Mr. Korsak Chairasmisak	Vice Chairman	1.080	4.158	5.238
8. Mr. Soopakij Chearavanont	Director	0.480	1.848	2.328
9. Mr. Adirek Sripratak	Director	0.480	1.848	2.328
10. Mr. Umroong Sanphasitvong	Director	0.480	1.848	2.328
11. Mr. Narong Chearavanont	Director	0.480	1.848	2.328
12. Mr. Prasert Jarupanich	Director	0.480	1.848	2.328
13. Mr. Pittaya Jearavisitkul	Director	0.480	1.848	2.328
14. Mr. Piyawat Titasattavorakul	Director	0.480	1.848	2.328
15. Mr. Tanin Buranamanit	Director	0.480	1.848	2.328
	Total	10.892	40.423	51.315

Note 1. Mr. Apisak Tantivorawong was Independent Director from 7 August 2012 and resigned, effective on 7 February 2013.
2. Pol. Gen Phatcharavat Wongsuwan is Independent Director in place of the one who resigned, effective from 19 February 2013 onwards

In addition, the Company's Audit Committee was appointed as Audit Committee in one subsidiary and received remuneration of Baht 48,000 from the subsidiary in 2013.

(B) Remuneration for Executives

In 2013, the Company paid remuneration for 12 executives, comprising of salary and bonus, totaling Baht 246.831 million.



4.2 Other Remuneration

a Other remuneration for directors

- None-

b Other remuneration for executives

- Provident Fund

The Company has established a provident fund, with the Company contributing 2 percent of monthly salary. In 2013, the Company contributed a total of Baht 3.283 million to the provident fund for 12 executives.

- Employee Joint Investment Program (EJIP)

The Company has established an Employee Joint Investment Program (EJIP) to provide incentives and keep personnel working with the Company for a long time. The Employee Joint Investment Program No. 2 has a duration of 5 years. Executives who are eligible for the EJIP must have been employed with the Company for at least 3 years. The Company deducts 5% or 7% (on a voluntary basis) from the employee's monthly salary. The Company contributes 80% of the deductible amount from the employee in each month. In 2013, 12 executives joined the EJIP and the Company paid a total of Baht 9.192 million in contribution.

5. Personnel

(1) No. of Employees and Remuneration for Employees

(Million Baht)	
2013	Convenience Store Business
Store employees (Persons)*	27,842
Head office staff (Persons)*	10,220
Total (Persons)	38,062
Remuneration for Employees (million Baht)	14,374
*Comprises of salary, bonus, EJIP, provident fund and other fringe benefits	

* Included only Company's permanent staff

(2) Policy on Employee Development

The Company organizes both in-house and external training for every position in order to continuously develop the knowledge and skills of employees. The Company has also developed a clear career path for each position in order to provide opportunities for employees to advance according to their skills. The Company has initiated various projects, such as the Big Crowd of Fish Project, President Awards and Chairman Awards, to promote an atmosphere of learning without limits in order to become an innovative organization.



CORPORATE GOVERNANCE

CP All Public Company Limited operates its business with transparency and fairness to all stakeholder groups, in compliance with good corporate governance principles. The Company has established a written “Corporate Governance Policy” which is regularly reviewed and improved to be up to date with the current situation and on par with international standards. Its content covers 5 core sections including shareholders’ rights, equitable treatment of shareholders, role of stakeholders, information disclosure and transparency, and responsibilities of the Board of Directors.

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

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

The Company’s adherence to good corporate governance principles has been continuously improving every year. This is witnessed in the results of the Company Corporate Governance Assessment Report 2013 conducted by the Thai Institute of Directors Association (IOD) in which the Company received an overall score of 88%. The Company was rated “Excellent” in the Rights of Shareholders category, Role of Stakeholders category, and Information Disclosure and Transparency category. For the Equitable Treatment of Shareholders category, the Company was rated “Very Good”. The Company was rated “Good” in the Responsibilities of the Board of Directors category.



Details of compliance with good corporate governance principles in 2013 are as follows:

Category 1 Rights of Shareholders

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

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

- **Prior to the Shareholders' Meeting**

In 2013, the Company held the Annual General Meeting of Shareholders on April 25, 2013 at Meeting Room on 3rd floor, Convention Hall Center, Panyapiwat Institute of Management, Chaengwattana Road, Pak Kret, Nonthaburi. The Company sent out the invitation to the shareholders' meeting and accompanying documents, both Thai and English version, to shareholders more than 14 days prior to the meeting. This information was also posted on the Company's website at www.cpall.co.th 30 days prior to the meeting so that shareholders have sufficient time to study the information ahead of the meeting.

The Company invited individual shareholders or groups of shareholders, who hold minimum shares of not less than 5 percent of the total voting shares of the Company, to propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2013. The Company prepared a form to propose agenda items for the convenience of shareholders and informed shareholders via the Company's website and the Stock Exchange of Thailand on 27 September 2012. This was done 90 days before the last day of the fiscal year to allow time for the Company Secretary to screen the proposed agenda items before presenting to the Board of Directors for consideration.

In addition, the Company held 2 Extraordinary General Shareholders Meetings. The first meeting No. 1/2556 was held on 12 June 2103 and the second meeting No. 2/2556 was held on 19 September 2013. For both meetings, the Company proceeded similar to the AGM to ensure that the Company's shareholders received correct and complete information for decision making



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

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

- **At the day of the shareholders' meeting**

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



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

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

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

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

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

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

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



Agenda item on Extraordinary General Shareholders Meeting to consider and approve the purchase of shares of Siam Makro. The Company assigned the financial advisor, independent financial advisor, legal advisor and auditor to explain to shareholders before independent decision making by shareholders.

The Chairman of the Meeting allocated sufficient time, conducted the meeting appropriately and transparently, and provided opportunities for shareholders to express their opinions and raise questions in each agenda item. The questions and answers were carefully recorded by Company Secretary. Each agenda item indicated the meeting resolution and result of the votes, including the number of agree votes, disagree votes, abstain votes and unentitled votes. The video recording of the meeting was posted on the Company's website after the meeting to enable shareholders who were unable to attend to be informed of the issues discussed during the meeting.

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

- **After the shareholders' meeting**

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

From the Annual General Shareholders' Meeting (AGM) Assessment 2013 organized by the Thai Investors Association, the Company received a score 94.65 out of the grand score of 100, equivalent to a rating of **"Excellent"**, while the mean score of listed companies was 90.81. This assessment is considered as a part of good corporate governance and reflects the importance that the Company gives to improving the quality of shareholders' meetings, protecting the statutory rights of investors and information disclosure.

Category 2 Equitable Treatment of Shareholders

Even though each shareholder has unequal voting rights due to the different number of shares held by each, this does not mean that their basic rights as shareholders are different. The Company gives importance to and recognizes the rights of every single shareholder, whether major or minor shareholders, institutional or individual shareholders, local or foreign shareholders. Therefore, the Company will not perform any acts which are considered as preferential treatment or which will lead to unfair treatment to shareholders under related laws and regulations. In 2013, the Company performed the following:



1. Shareholders' meeting

- The Company provided an opportunity for minority shareholders to propose agenda items in advance for the Annual General Meeting of Shareholders for the Year 2013. This was done 3 months before the last day of fiscal year. The invitation was posted via the Company's website and the Stock Exchange of Thailand to provide sufficient time for shareholders and enable the Company Secretary to propose the agenda item to the Board of Directors for approval to be included in the shareholders' meeting.
- In the case where shareholders are unable to attend the meeting in person, the Company proposed 3 directors to be selected as proxies. One was Mr. Padoong Techasarintr, Independent Director and Audit Committee, as an alternative for shareholders to appoint one of the directors to attend the meeting as their proxy and vote on their behalf.
- The Company sent all 3 proxy forms to shareholders so that they can choose the form that best suits their needs. However, in the invitation notice, the Company advised shareholders to use form No. 2 which is has the most detail.
- The invitation to the shareholders' meeting clearly states the documents that must be brought on the day of the shareholders' meeting, separated into different cases. Documents that are required for presentation at the shareholders' meeting are according to international practice.
- The Company sent the invitation to the shareholders' meeting and associated explanatory documents in English to foreign shareholders.
- In the selection of directors, the Company votes on individual directors.
- Use voting cards for voting.
- Record the minutes of the meeting in a correct, complete and timely manner.

2. Directors and Executives

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

- Established a policy to prevent the use of inside information and disseminated an announcement warning directors and executives to suspend trading in the Company's shares in the one-month period prior to and one day after the release of the Company's financial reports to the public. In the past year, the Company's directors and executives strictly adhered to this policy.
- In the Board of Directors' Meeting, directors or executives with vested interests in connected transactions shall be excluded from attending the meeting and voting on that particular agenda item. In addition, if it is a transaction which must be disclosed or receive approval from shareholders according to the regulations of the Stock Exchange of Thailand, the Company disclosed the details and reasons for entering into the transaction, relationships of the connected persons, and calculations of the value of the transaction so that shareholders are informed of the details of the transaction.



- The directors and executives shall file a report of their interests and that of related persons every year and every time there is a change to the Company Secretary. In addition, copies shall be sent to the Chairman of the Board of Directors and the Chairman of the Audit Committee.
- The directors and executives shall file their holdings of the Company's shares and those held by their related persons and report to the Board of Directors' Meeting at the end of every year.
- Established guidelines regarding conflict of interest in the Business Ethics and Code of Conduct
- The related transactions which occurred in 2013 are honest and fair transactions under the ordinary course of business.
- The Company does not have a business group structure that engages in related transactions that may have conflicts of interest. The amount of related transactions with subsidiaries or associated companies compared to total revenue and total cost of sales and services is 0.6 percent and 10.8 percent respectively.

Category 3 Role of Stakeholders

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

Even though the Company has not yet joined the United Nations (UN) Global Compact, the UN strategic policy initiative with the objective of connecting all sectors across the globe in order to create sustainable economic development, the Company places great importance on managing its business responsibly, including promoting human rights, employment standards, environmental conservation, and anti-corruption. The Company has appointed the Internal Audit Manager as the head of the working group to study, prepare and present to the Board of Directors for consideration regarding the Company becoming a member of the Private Sector Collective Action Coalition Against Corruption.

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

The Board of Directors reports information about the Company’s operations that stakeholders and related parties should be informed of in Form 56-1, the annual report and website. In addition, two-way communication channels have been established for stakeholders and related parties to express their opinions and send complaints in case they have not received fair treatment from the Company. Shareholders and stakeholders are able to contact, file complaints or provide information through the Corporate Governance Committee or the Internal Audit Department at the address below, in order to verify information, investigate the truth and proceed according to the Company’s procedures and report to the Audit Committee and the Board of Directors.

**Internal Audit Department, CP All Public Company Limited**

119 Tara Sathorn Tower, 16th Floor
Soi Sathon 5, South Sathon Rd.
Thungmahamek, Sathon Bangkok 10120, Thailand
Tel. (66) 2648 2770 Fax. (66) 2679 0057
Email: kidsada@cpall.co.th

Category 4 Information Disclosure and Transparency

Information disclosure and transparency is one of the key elements of good corporate governance that the Company strictly adheres to as it is an important channel for shareholders who are not involved in the Company's management to monitor the work of the Company's executives. The Company is confident that it discloses information in a complete, adequate, timely and regular manner. Besides disclosing information in compliance with the regulations of the Stock Exchange of Thailand in Form 56-1, the annual report, and event reports, the Company's Investor Relations Department which acts as the information dissemination center for investors also prepares Investor Information Releases which are posted on the Company's website, financial reports, and operating results in the form of PowerPoint presentation. The Investor Relations Department also organizes meetings for analysts, investors, the press and interested persons every quarter. In 2013, 4 Analysts Meetings were organized, and information was disseminated via Webcast through the channel of the Stock Exchange of Thailand and the Company's website, with the Investor Relations Department and the Company's executives providing information on the Company's performance and answering questions. In addition, the Investor Relations Department and the Company's executives went on 13 road shows in Thailand and abroad to meet institutional investors on a regular basis. 7 marketing activities were also organized where analysts and investors were invited to visit the Company's operations such as dry products distribution center, chilled temperature-controlled distribution center, and food and bakery production facilities.

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

or contact Investor Relations Office for more information at:

Telephone : 0 2648 2501
Fax : 0 2679 0050
E-mail : investor@cpall.co.th
Letter :

Investor Relations Office

CP All Public Company Limited

119 Tara Sathorn Tower, 12th Floor Soi Sathon 5
South Sathon Rd. Thungmahamek, Sathon
Bangkok 10120, Thailand



In 2013, the Company disclosed financial and non-financial information on each accounting period and on significant events as follows:

Financial Information

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

Non - Financial Information

1. Non-financial information is in compliance with related laws in a correct, complete, timely, and transparent manner via the Stock Exchange of Thailand and the Company's website. This information is regularly updated.
2. Corporate governance policy and Code of Business Ethics and Bounden Duties in Working which has been approved by the Board of Directors and is disseminated on the Company's website so that shareholders and interested persons may have access any time.
3. The Company's shareholding structure is clear, transparent, and uncomplicated. There is no cross holding or pyramid holding. The shareholding structure displays the majority shareholders and the ratio of minority shareholding. The Company's directors have only 0.146 percent shareholding of the total paid-up capital.
4. Report on interest of directors and executives, including related persons.
5. Report on shareholding of directors and executives, including related persons.
6. The Board of Directors' Statement of Responsibility for Financial Reports and the Audit Report of Certified Public Accountant.
7. Information on the remuneration for the auditor, separated into the audit fee and other service fees
8. The remuneration for directors and executives in the annual report under the "Management" section. This remuneration is an appropriate rate for the duties and responsibilities of each of the Company's directors and executives and is comparable to that of other companies in the same industry.
9. Number of Board of Directors' Meetings and attendance of directors in 2013.
10. Disclosure related to the purchase of the shares, share purchase agreement and tender offer for securities of Siam Makro Public Company Limited by CP All Public Company Limited.
11. Report of the opinion of the independent financial advisor in the purchase of the shares, share purchase agreement, and tender offer for securities of Siam Makro Public Company Limited by CP All Public Company Limited.



Category 5 Responsibilities of the Board of Directors

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

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

1. Structure and Qualifications of the Board of Directors

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

The authority and duties of the Chairman of Executive Committee and Chief Executive Officer has been clearly determined by the Board of Directors. In particular, important matters must be presented to the Board of Directors for consideration and approval.

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



2. Committees

Even though the Company has not set up other committees besides the Audit Committee which must be established in compliance with the regulations of the Stock Exchange of Thailand, all of the Company's practices in other areas such as determination of remuneration and selection of directors are carried out in a careful, transparent and honest manner in order to avoid any criticism.

Audit Committee

The Company's Audit Committee has qualifications, duties and responsibilities according to the Company's requirements and the Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee. The members of the Audit Committee and their duties and responsibilities can be found under the "Management" section.

The Audit Committee is comprised of 3 independent non-executive directors. One out of the three directors, Mr. Padoong Techasarintr, has sufficient knowledge and experience to review the reliability of financial statements.

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

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

3. Roles and Responsibilities of the Board of Directors

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



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

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

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

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

The Board has a clearly stated policy on related transactions which may cause conflicts of interest. Related transactions must be for the benefit of the Company and shareholders in general. Related transactions are conducted in a careful manner and must be reviewed by the Audit Committee before being proposed to the Board for approval. Directors with vested interests do not take part in decision-making. The resolution of the Board is reported to the Stock Exchange of Thailand to be disseminated to shareholders on the same day after the connected transactions have been approved to ensure that shareholders receive correct and timely information.

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

4. Board of Directors' Meeting

- 4.1 The Board of Directors' Meeting is held once every quarter. The dates of the Board of Directors' Meetings are predetermined one year in advance so that directors can arrange their schedule to attend the meeting. However, additional meetings may be called if there are special matters that require the Board's approval.
- 4.2 In 2013, a total of 10 Board of Directors' Meetings were held which was appropriate for the duties and responsibilities of the Board and the management of the Company in the previous year.



- 4.3 The meeting's invitation, agenda and relevant documents were sent to the directors at least 7 days prior to the meeting date to allow sufficient time for the directors to study the information before decision-making. In the consideration of any issue, the directors are entitled to look at or check the related documents; ask the management to provide additional information; and bring in outside consultants or experts to provide advice, at the Company's expense.
- 4.4 In every meeting, the management had been asked on questions raised by directors. The directors exercised careful, independent and transparent judgment with fair consideration for the interests of shareholders and stakeholders. Directors with vested interests in the matter under consideration must leave the meeting during consideration of that matter. The Chairman also provided sufficient time for directors to discuss problems and possible solutions. Management related to the presented agenda item was invited to the meeting to provide additional details and answer questions.
- 4.5 After the Board of Directors' meetings, the minutes were prepared, approved by the Board and filed at the Company Secretary Office for future reference and verification by directors and related persons.

5. Remuneration

Remuneration for Directors

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

The directors' remuneration is divided into 2 parts. One is the retainer fee in the form of monthly payment. The other is the incentive payment (bonus) which is a special payment for directors once a year according to the value the Company has created for shareholders. In 2013, the Company paid remuneration to directors as follows:

- Director retainer fees of year 2013 totaled approximately Baht 10.892 million.
- The payment of bonus for directors is at the rate of 0.5 percent of dividends paid out to shareholders, equivalent to a total bonus of Baht 40.423 million. The Chairman is responsible for determining the appropriate amount to be allocated to each director.



Remuneration for Executives

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

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

6. Development of Directors and Executives

- 6.1 The Company encourages and facilitates persons whose work relate to corporate governance such as directors, members of the Audit Committee, management, internal audit manager and Company Secretary to participate in various training courses and seminars, especially training courses organized by the Thai Institute of Directors Association (IOD). The objective is to have all related persons truly understand their roles and responsibilities and continuously improve their work.
- 6.2 In the case of new directors and executives, the Company provides documents and information to assist in performing their duties as well as an orientation of the Company's business and business practices.
- 6.3 The Company has a work development and succession plan and has created a learning organization by initiating various programs such as the Leadership Development Program and TLCA Executive Development Program to ensure that the business continues to operate smoothly. Details of the Executive Development Program can be found under the "Management" Section.

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

7.1 Prevention of Conflicts of Interest

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

- Stipulated that directors and executives of the Company and its subsidiaries shall provide a report on his/her interest every year, file a report any time there is a change, and maintain the report with the Company Secretary. In addition, copies of the report shall be sent to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The report on the interest of directors and executives reveals the relationship of family members and other persons that may cause conflicts of interest. In case there is a necessity to engage in a related transaction, the transaction must be conducted



with transparency and fairness like conducting transactions with outside parties and for the Company's best interests. In the approval of related transactions, directors or executives with vested interests shall be excluded from attending the meeting and voting.

- The Board of Directors' Meeting has approved the principle regarding normal business terms and undertakings that the management may approve the transaction between the Company and its subsidiaries and directors, executives or related persons if the transaction has the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person. In addition, a quarterly report of such transactions must be prepared by the Company and reported to the Board of Directors' Meeting every quarter after the revision by the Audit Committee.

In 2013, there was no connected transaction between the Company and its subsidiaries and related parties, except the transactions which are conducted on the basis of normal business terms and undertakings that the management can conduct under the principle approved by the Board of Directors.

7.2 Control of Internal Information Use

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

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



CORPORATE SOCIAL RESPONSIBILITY

CP All Public Company Limited is the operator of '7-Eleven', the convenience food store of Thais, with more than 7,400 stores nationwide. Throughout its 25 years, the Company has been committed to managing its business with social responsibility, adhering to the principles of good corporate governance to ensure that the Company's management is effective, transparent and accountable. The Company has supported all stakeholder groups, including shareholders, business partners, employees, customers, and communities, society and the environment, to develop and grow together sustainably in line with the policies and 8 guidelines as follows:

1. Operating the business with fairness
2. Anti - Corruption
3. Respecting human rights
4. Treating labor fairly
5. Being responsible to consumers
6. Caring for the environment
7. Joining in developing communities and society
8. Creating and promoting innovations that were achieved through operations that are responsible to society, the environment and stakeholders

Shareholders : The Company has published the Corporate Governance Policy and Business Ethics and Code of Conduct, which has been distributed to all the Company's directors, executives and employees to drive the business forward in a fair manner as well as to protect the rights of all stakeholder groups. For the past 5 years, the Company has received a "Very Good" corporate governance score by the Thai Institute of Directors Association. As a result, the Company has been awarded the 50 Best Publicly Traded Companies in Asia-Pacific by Forbes and is the only Thai company that has won this award for 3 consecutive years, from 2011 to 2013. Furthermore, the Company won the Best-of-the-Best Retailers Award, Asia Pacific 2013 from Retail Asia Magazine in cooperation with Euromonitor International and KPMG.

Business Partners : CP All has provided support to business partners that are SMEs to be able to grow together. The Company treats business partners with fairness, appropriateness, honesty and equality. The Company regularly organizes seminars to transfer knowledge and exchange ideas. Examples include the "CP All SME Forum" and "Creating Sustainable and Wealthy Groceries" to provide knowledge to grocers and to develop the potential of operators who are business partners of 7-Eleven. These seminars share knowledge and techniques on production improvement, factory standards, and product quality control processes in line with international standards.



This helps improve the whole value chain to be more effective and supports SMEs to grow and become big business players. Moreover, the Company has collaborated with 5 major Thai organizations, namely the Federation of Thai Industries, the Stock Exchange of Thailand, the National Science Technology and Innovation Policy Office, the National Science and Technology Development Agency, and the National Innovation Agency, to organize the “7 Innovation Awards”. The objectives of the “7 Innovation Awards” are to support innovation and to provide an opportunity for SMEs to incubate and market their new products through 7 Eleven’s various distribution channels and also to publicize their work nationally.

Employees : CP All has a policy to care for and treat employees like family members. The Company has an appropriate remuneration and welfare system and is committed to provide benefits to improve the quality of life of its employees. The Company also promotes an “Innovation Culture” inside the organization which facilitates employees to be innovators and present innovations through projects such as the President Awards, Big Crowd of Fish Project, and Process Excellence Awards. At the same time, the Company organizes activities to instill ethics and integrity among employees such as the Relocating Temples to 7-Eleven Project and the Buddhism Promotion Project, with the intention to support employees to be capable, good and happy persons.

Customers : CP All is committed to create greatest customer satisfaction through quality products and recognizes the rights of consumers. Food products in particular must be delicious, hygienic and nutritious, in compliance with international quality assurance standards such as HACCP, GMP, BRC and GAP from the beginning until the end of the value chain, helping to raise the standard of food safety. Furthermore, the Company focuses on providing correct information to customers to assist in decision making to purchase products for healthy consumption. Customers may send in complaints 24 hours through various channels including all 7-Eleven stores and the Call Center which provides advice and timely assistance to customers as well as keeps information about products and services for use in further improvement and creating innovations.

Environment : CP All has instilled a “Green Resolution” among employees to help care for the environment and use energy wisely. The organization has developed guidelines to care for the environment such as effective use of office equipment, water treatment for further use in CPRAM factory, and effective use of plastic bags. These initiatives have been further expanded to society such as encouraging customers to use less plastic bags through the “Thinking Plastic Bags” Project. The project also provides an opportunity for the public to join in helping solve global warming. Moreover, the 7-Eleven branch at Tara Square has been developed as the prototype energy saving store that is environmentally friendly, before expanding results to other stores nationwide.



Communities and Society : It is the Company's mission to give back to society by creating good relationships and helping develop strong communities and society by working with partners and inviting community leaders nationwide to join in various projects. These projects include developing the skills of youth through the Discovering Dream Cartoonist Project, strengthening family ties through the First Book Project, and integrating teaching with Buddhist principles through the Buddhism Instructors Development Project. At the same time, 7-Eleven stores provide community service by disseminating and collecting complaint forms for the Office of the Consumer Protection Board as well as assisting foreign tourists and women who have been violated in order to improve the quality of Thai society.

Moreover, CP All Volunteer Club has played a significant role in helping to initially relieve the hardship of victims of different types of disasters. Employees offer their strength and efforts while the Company provides monetary support and goods. 7-Eleven branches across the country are an effective channel for gathering donations for assistance.

Anti - Corruption : The Company operates its business with responsibility, transparency, and fairness to all stakeholder groups. This is stated as an important topic in the Company's Business Ethics and Code of Conduct for executives and employees to strictly adhere to in performing their duties. Executives, employees and their close persons ought not to get money or any benefits or things from business-related parties to the Company in case that such getting may cause understanding that the receiver is partial to or in business relation specially with the giver, which may cause damage to the Company.

The Company has also established the Corporate Governance Committee which is responsible for overseeing that executives and employees perform their duties in compliance with the Company's Business Ethics and Code of Conduct; considering complaints and providing fairness to stakeholders; considering punishment; and appointing the working group responsible for receiving and screening complaints before presenting to the Corporate Governance Committee for examination and providing justice.

Furthermore, the Company has appointed the Internal Audit Manager as the head of the working group to study, prepare and present to the Board of Directors regarding the Company becoming a member of the Private Sector Collective Action Coalition Against Corruption (CAC).



7-Eleven for Thai Society

Since 1993, CP All Public Company Limited has collaborated with the government and private organizations on various projects relating to education, art and culture, ethics, and social contribution, which has been a major force in making Thai society a better place to live in.

Building Ties, Building Society One Decade of “7 Book Awards”

Organized for 10 consecutive years, a full decade, the 7 Book Awards selects and promotes quality books in 7 categories - poems, novels, cartoon, short stories, literature for youth, documentaries, and the “Young Writer” Award. The first prize winner of each book category receives an honorable plaque from Her Royal Highness Princess Maha Chakri Sirindhorn (except the “Young Writer” Award) and cash prizes worth over Baht 1,000,000.

Creating Art, Nourishing Intellect, Changing Lives

To expand on the 7 Book Awards as well as to further promote the quality of entries sent in by the youth, the Company and partnering organizations - Srinakarinwiroj University, the Writers Association of Thailand, the Association of Thai Language Teachers of Thailand and the Thai Cartoons Association - organized the “Literature Seeds” Project and “7-Eleven Discovers Dream Cartoonist” Project. In 2013, both projects were organized for the 10th time under the concept “Creating Art, Nourishing Intellect, Changing Lives”.

To date, a total of 895 people have joined the “Literature Seeds” Project, consisting of 657 youths and 238 teachers. Meanwhile, a total of 679 people have joined the “7-Eleven Discovers Dream Cartoonist” Project, consisting of 641 youths and 35 teachers.

Sharpening Thinking, Creating Cartoons - Small Books for the Environment

The Company in cooperation with the Office of Non-formal and Informal Education, Bangkok Education Service Area Office, Pattaya Education Service Area Office, schools in Chiangrai, Phichit, and Sakhon Nakhon provinces, and communities around 7-Eleven stores implemented the “Sharpening Thinking, Creating Cartoons - Small Books for the Environment” Project. The project aims at making participants - youth, students of non-formal and informal education, students studying teaching, teachers and teaching personnel - aware of the importance of the environment by publishing small books. These small books are an important media in promoting reading, learning the Thai language, developing creative ideas and building confidence.



“First Book” Forging Family Ties

Realizing that successfully developing a reading habit begins at a young age, the Company collaborated with the Books for Children Foundation to operate the “Book Start” Project and “Father Reads, Warm Family” Project. The projects’ objective is to encourage parents who are going to have a child (at least 6 months pregnant) or have children under 3 years of age to learn how to organize activities to instill a reading habit in their children by using books as a tool and as an alternative in developing their children. In addition, the projects aim to foster warmth and closeness in the family. The projects cover employees of the Company and its subsidiaries as well as interested persons in Bangkok and other regions.

Promoting Buddhist Teachings

Integrating Teaching with Buddhist Principles

Since 1996, the Company has collaborated with the Ministry of Education, the Bangkok Education Service Area Office, and other partners to implement the Buddhism Project. The objective of this project is to build confidence, knowledge and understanding of Buddhist principles among teachers of all subjects so that they can integrate the Buddhist principles with their teaching. To date, a total of 14,515 teachers have received training from this project. Presently, the target group has been expanded to teachers and government officials in educational institutes at the university level, youths, as well as the general public who are interested in practicing Buddhist teachings.

Boosting Intellect with Go Game

Go Game

Realizing that the Go Game has numerous benefits for players, including development of the brain, thinking and intelligence and formulation of good morals and ethics, the Company and the Go Game Association of Thailand has promoted the Go Game since 1993. Go Game lessons are provided to kindergarten, primary, high school and college students as well as the general public.

In addition, the Company has organized Go Game competitions to continuously develop the skills of those who have joined the Go Game Project. Masterful youth are selected to represent Thailand in 14 international Go Game competitions annually. The Company has also joined with the Go Game Association of Thailand to organize the Go Goodwill Tournament and Asian University Go Tournament annually. At present, the Go Game has been officially included as one of the sports in the Thailand National Games and Thailand National Youth Games.



INTERNAL CONTROL AND RISK MANAGEMENT

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

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

1. Control Environment

The Company has established clear and appropriate policies and objectives and has continuously developed processes to set business objectives and strategies. The Company's objectives are communicated to employees at all levels to provide guidelines for performance. The Company has instituted an appropriate organizational structure with clear lines of command. Authority according to position is clearly defined to ensure effective performance of executives and employees.

2. Risk Assessment

The Company gives importance to risk management. All units are required to assess internal and external risk factors which may have direct and indirect impact on the Company, determine measures to manage risks at acceptable levels, as well as manage existing risks promptly and effectively. The work performed by the Risk Management Committee is reported to the Board of Directors every 6 months. The Internal Audit Office also monitors whether various units have followed the risk management measures in order to ensure that the Company's risks are at acceptable and manageable levels.



3. Control Activities

The Company has clear and appropriate control activities. KPIs assist in planning and control. The Business Ethics and Code of Conduct and the Company's corporate governance policy provide guidelines for performance of duties. All employees are made aware of the Code of Conduct since the orientation for new employees. The Company has clearly defined the duties and responsibilities of various work functions. The authority and the approval limit for various types of transactions of executives are clearly written in the "Authority Guidebook". Procedures regarding connected transactions and the transactions that may lead to conflicts of interest are clearly stated to ensure transparency and the greatest benefits of the Company. The Internal Audit Office regularly reviews the adequacy and appropriateness of the control system, with the audit plan also covering important work processes.

4. Information and Communication

The Company recognizes the significance of information and communication. Information regarding the Company's policies, regulations and announcements are conveyed to all employees via various channels in a complete, correct and timely manner. Information is communicated to external parties such as shareholders through the Company's website www.cpall.co.th and the Stock Exchange of Thailand. In addition, the Company has a clear policy regarding information control in terms of access and improper use of information, which is in line with the Computer Related Crime Act B.E. 2550 (2007).

5. Monitoring

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

In 2013, the Audit Committee had the same opinion with the external auditor that there was no material weakness in the internal control system. The Company has a sufficient and appropriate internal control system for its business and all units complied with the procedures and regulations. No material weakness was found in the internal control system.



Internal Audit Manager

The Manager of the Internal Audit Office is Mr. Krisada Euapiyachart, who has the educational background, experience and skills that are suitable and sufficient for this position. Mr. Krisada Euapiyachart also acts as the Secretary of the Audit Committee. The Audit Committee is responsible for considering the qualifications and suitability of the Internal Audit Manager, as well as approving the appointment, removal, and transfer of the Internal Audit Manager.

Recognizing the importance of internal audit, the Company has established the Internal Audit Office as a separate office, with the Audit Committee responsible for reviewing the Company's internal control system. The Internal Audit Office is responsible for evaluating the adequacy and effectiveness of internal control in various work processes and activities according to the audit plan which has been approved by the Audit Committee.

Important duties of the Internal Audit Office include:

1. To verify the correctness and reliability of the database system and financial reports
2. To review the appropriateness of the database system and the existence of the Company's assets
3. To create trust in the Company's internal control as well as provide advice to all departments to achieve effective internal control
4. To monitor business's operation to be in line with the Company's rules and regulations, requirements of the Stock Exchange of Thailand, and other related laws
5. To review the Company's information technology to ensure reliability of the information and the system's safety
6. To conduct risk management throughout the organization
7. To monitor and administer inappropriate action

The Internal Audit Office will report to the Audit Committee every month and the Audit Committee will report the audit results and evaluation of the internal control system to the Board of Directors every quarter.



RELATED TRANSACTIONS

In 2013, the Company and its subsidiaries did several transactions with related parties, which these inter-company transactions were made and agreed as a normal business transaction at general market prices and commercial terms. (Details are provided in Note 6 of the Company's financial statements for the year ended December 31, 2013). The Audit Committee has reviewed that all transactions were reasonable and transparent and complied with the rules and regulations under the Notification of the Stock Exchange of Thailand regarding Related Transactions of a Listed Company. The related transactions incurred in 2013 were as follows:

Trade Accounts Receivable

As at December 31, 2013, the Company and its subsidiaries had a trade accounts receivable balance with related parties in the amount of Baht 74 million or 8.8 percent of the Company and its subsidiaries' total trade accounts receivable.

Other Accounts Receivable

As at December 31, 2013, the Company and its subsidiaries had other accounts receivable balance with related parties in the amount of Baht 270 million or 17.2 percent of the Company and its subsidiaries' total other accounts receivable.

Trade Accounts Payable

As at December 31, 2013, the Company and its subsidiaries had a trade accounts payable balance with related parties in the amount of Baht 5,069 million or 9.3 percent of the Company and its subsidiaries' total trade accounts payable.

Other Accounts Payable

As at December 31, 2013, the Company and its subsidiaries had other accounts payable balance with related parties in the amount of Baht 28 million or 1.0 percent of the Company and its subsidiaries' total other accounts payable.

Sales of Goods and Services

During 2013, the transactions for sales of goods and services with the Company's related parties were determined and agreed on a normal course of business at general market prices and commercial terms. These transactions for the fiscal year ended December 31, 2013 amounted to Baht 1,669 million or 0.6 percent of the Company and its subsidiaries' total sales and services income.



Purchases of Goods and Services

During 2013, the transactions for purchases of goods and services with the Company's related parties were determined and agreed on a normal course of business at general market prices and commercial terms. These transactions for the fiscal year ended December 31, 2013 amounted to Baht 22,703 million or 10.8 percent of the Company and its subsidiaries' total cost of sales and services.

Other Operating Income

In 2013, the Company and its subsidiaries recognized other income from related parties in the amount of Baht 594 million or 5.0 percent of the Company and its subsidiaries' total other income.

Rental and Service Fees

In 2013, the Company and its subsidiaries paid rental and service fees according to the lease agreements to related parties. The rental and service fees were made and agreed at standard rates advised by the lessor. These fees for the fiscal year ended December 31, 2013 amounted to Baht 97 million or 0.2 percent of the Company and its subsidiaries' total selling and administrative expenses.

Technical Service Fees

In 2013, the Company and its subsidiaries paid technical service fees to related parties based on contract prices. The technical service fees for the fiscal year ended December 31, 2013 amounted to Baht 9 million or 0.02 percent of the Company and its subsidiaries' total selling and administrative expenses.

Purchases of Fixed Assets

In 2013, the Company and its subsidiaries purchased fixed assets with related parties at prices determined and agreed on a normal course of business at general market prices and commercial terms. These transactions for the fiscal year ended December 31, 2013 amounted to Baht 6 million or 0.01 percent of the Company and its subsidiaries' total assets.

Other Expenses

In 2013, the Company and its subsidiaries paid other remunerations to related parties in the amount of Baht 550 million or 0.9 percent of the Company and its subsidiaries' total selling and administrative expenses.



Procedures for the Approval of Related Transactions

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

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

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

Policy on Related Transactions

The Board of Directors has an essential role to prevent actions that may cause conflicts of interests. Directors, executives, employees and their family members and household members shall not engage in any transaction that has direct or indirect conflict of interest with the Company, whether performed by themselves, or with family members, or with close persons in order to prevent any inappropriateness which may arise. The following actions have been taken:

1. Stipulated that the directors and executives of the Company and its subsidiaries prepare a Conflict of Interest Disclosure Report every year, amend the report every time there is a change, and submit the report to the Company Secretary for filing. A copy of the Conflict of Interest Disclosure Report shall be sent to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The Conflict of Interest Disclosure Report of directors and executives discloses the relationship of family members and other persons which may cause conflict of interest. If there is a necessity to enter into any transaction, it must be performed with transparency, fairness, like entering into a transaction with external parties, and for the best interests of the Company. In the consideration and approval of the transaction, directors or executives with conflict of interest shall not be involved in the approval process.



2. Approved the principles regarding trade agreements with general commercial conditions allowing the management to engage in transactions between the Company and its subsidiaries, and directors, executives or connected persons, if the said transactions have commercial agreements with the same characteristics as persons of ordinary prudence would conduct with typical contract partners in the same situation with bargaining power that is free from influence of one's status as director, executive or connected person. In addition, the Company is required to summarize the said transactions every quarter and report to the Board of Directors' Meeting after being reviewed by the Audit Committee.

In 2013, the Company did not engage in connected transactions. There were only transactions between the Company and its subsidiaries and connected persons with trade agreements on general commercial conditions that the management can conduct according to the principles set by the Board of Directors.



MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Discussion and Analysis of Financial Status and Operating Results

Financial status and operating results of the Company reported in the consolidated financial statements were generated from 3 main businesses including 1) convenience store business in Thailand 2) other businesses in Thailand such as manufacturing and sale of ready-to-eat food and bakery products, bill payment collection services, and sale and maintenance of retail equipment, and 3) membership based Cash & Carry trade centers (Performance was recorded from July to December 2013)

Analysis of Operating Results for the Year Ended December 31, 2013 Compared to the Operating Results for the Year Ended December 31, 2012

In 2013, the Company and its subsidiaries' total revenues were Baht 284,670 million, increasing 43.9 percent from that of 2012 mainly due to an increase in sale of goods and rendering of services of convenience store and other supporting businesses and the consolidation of Cash & Carry business under the name "Makro" from the acquisition of Makro during the mid-year 2013.

Net sales and service income before elimination was Baht 304,298 million originated from three businesses, (1) convenience store business accounting for 71 percent (2) membership based Cash & Carry trade centers accounting for 22 percent, and (3) other businesses in Thailand such as manufacturing and sales of convenience food, payment service, distributing and maintenance of retailing equipment, etc. accounting for 7 percent.

The growth in net sales and service income was mainly due to the expansion of 607 7-Eleven outlets, exceeding our target of 550 stores and an increase of average daily sales/store/day of 7-Eleven excluding phone card from Baht 73,582 in 2012 to Baht 78,371 in 2013 as well as other operating income such as marketing support that followed the same rising trend and thus contributing to higher revenues. In addition, Makro's revenues continued to grow from store expansion and a rise in the number of registered customers and an increase in income from other businesses.

Gross Profit

In 2013, the Company and its subsidiaries' gross profit was Baht 61,629 million, an increase of 26.8 percent from 2012, which was mainly due to improved performance of the convenience store business and other supporting businesses, and the consolidation of Makro performance. As a result of the improvement in the product selection process, gross profit margin excluding phone card of the Company's convenience store business increase from 25.4 percent in 2012 to 25.6 percent in 2013. However, gross profit margin including phone card increased from 25.3 percent in 2012 to 26.3 percent in 2013, this was due to change in accounting methods used for phone card, from recording sales and cost of goods sold to service income, resulting in a decreased mix of phone card sales which generally yield lower margin. From the consolidation of Makro performance in the second half of the year, total gross margin in the consolidated financial statement decreased from 25.8 in 2012 to 22.6 in 2013 because Makro business generated lower gross margin than convenience store business.



Selling and Administrative Expenses

In 2013, the Company and its subsidiaries' selling and administrative expenses were Baht 58,879 million, increasing 34.6 percent year-on-year as detailed below:

- 1) Personnel expenses, which accounted for 25.7 percent of the total SG&A, amounted to Baht 15,151 million.
- 2) Store management expenses, which accounted for 20.3 percent of the total SG&A, increased to Baht 11,924 million following the rise in the number of franchise stores and higher sales.

Other SG&A such as depreciation, utility expenses, advertising and promotion expenses and other SG&A i.e. servicing expenses, supplies expenses, and maintenance expenses which were increased in relation to sales growth and store expansion of 7-Eleven. In addition, expenses related to the acquisition of Makro such as arrangement fees, financial advisory fees, legal fees, and hedging costs were incurred since the second quarter of 2013.

However, SG&A to total revenues decreased from 22.1 percent in 2012 to 20.7 percent in 2013 due to the consolidation of Makro's SG&A in the second half of the year and Makro's SG&A to total revenues was lower than that of the convenience store business.

Net Profit

In 2013, the Company and its subsidiaries' operating profit was Baht 15,135 million, increasing 8.2 percent from that of 2012 and net profit was Baht 10,537 million, or Baht 1.17 per share, decreasing 4.6 percent comparing year on year from Baht 11,049 million in 2012, or Baht 1.23 per share due to the record of interest expense of Baht 2,214 million.

Operating Results of the Convenience Store Business

In 2013, the convenience store business had net sales and service income of Baht 217,495 million, an increase of Baht 22,800 million, or 11.7 percent from the previous year. The growth in net sales and services income was mainly due to store expansion from 6,822 stores in 2012 to 7,429 stores in 2013, growing by 8.9 percent comparing with the same period of last year and an increase in average daily sales/store/day and same store sales growth excluding phone card of 5.7 percent. The increase in same store sales growth was resulting from both higher customer traffic to approximately 1,294 customers/store/day and spending per ticket of approximately Baht 62. In terms of the product mix, food and beverages accounted for 72.5 percent while non-food items accounted for 27.5 percent.



The cost of sales of the convenience store business excluding phone card was decreasing to 74.4 percent of sales in 2013 compared with 74.6 percent in 2012 due to a product mix; whereby, the portion of ready-to-eat products, which generated higher margin, was increasing. As a result, gross profit of convenience store business rose to Baht 52,941 million in 2013, an increase of Baht 6,175 million or a rise of 13.2 percent from the previous year. Operating expenses increased Baht 10,933 million or 24.8 percent from 2012 mainly due to store expansion and expenses related to Makro acquisition in the second half of the year.

Other income such as income from marketing support also increased because of higher sales and increased dividend income from subsidiaries from Baht 504 million in 2012 to Baht 3,495 million in 2013.

The convenience store business reported operating profit of Baht 13,828 million in 2013, up 9.3 percent from 2012 and net profit of Baht 10,260 million in 2013, up 2.4 percent from 2012.

Operating Results of Other Businesses

Other businesses comprise of bill payment services, manufacturing and sale of convenience food and bakery products, distribution and maintenance of retail equipment, product and service payment through Smart Card, and other businesses, etc. In 2013, the operating profit generated from other businesses was Baht 2,125 million, increasing by 15.7 percent from 2012 and earnings before tax was Baht 2,115 million, increasing by 15.5 percent from 2012 due to improved performance of convenience food and bakery business, bill payment services, and service payment through Smart Card.

Operating Results of Cash & Carry Trade Centers

Due to the acquisition of Makro during the second quarter of 2013, the Company has recorded the performance of Makro in the business segment results for the year 2013 for 6 months from July to December 2013. Makro's total revenues were Baht 66,726 million with gross margin of 11.0 percent. Operating profit was Baht 2,941 million and earnings before tax were 2,903 million.

Analysis of the Company and its Subsidiaries' Financial Status for the Year Ended December 31, 2013

Total Assets

As at December 31, 2013, the Company and its subsidiaries reported total assets of Baht 288,665 million, an increase of 300.0 percent compared to the previous year due mainly from the assets acquired from the acquisition of Makro such as property, plant, and equipment, and the record of goodwill as well as the Company's assets that increased along with sales growth and 7-Eleven store expansion. Non-current assets increased from Baht 23,313 million in 2012 to Baht 234,703 million in 2013.

**Total Liabilities**

As at December 31, 2013, the Company and its subsidiaries had total liabilities of Baht 255,658 million, increasing by 470.5 percent from the previous year mainly due to an increase of short-term loans from local and foreign financial institutions and long-term bonds used to finance the acquisition of Makro.

Total Shareholders' Equity

As at December 31, 2013, consolidated total shareholders' equity was Baht 28,781 million, an increase of 6.2 percent from the previous year. This was due to an increase in retained earnings.

Analysis of Statements of Cash Flows, Liquidity and Sources of Funds of the Company and its Subsidiaries for the Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Liquidity

As at December 31, 2013, the Company reported cash and cash equivalent of Baht 24,632 million, accounting for 8.5 percent of the Company's total assets. The Company's liquidity remained healthy from efficient working capital management, having negative cash cycle of 49 days in 2013 which resulted from inventory period of 25 days and payable period of 76 days.

Cash Flow from Operating Activities

In 2013, net cash flow from operating activities totaled Baht 21,624 million, decreased 6.1 percent from the same period of last year because of a rise in inventory to increase sales opportunity.

Cash Flow from Investing Activities

In 2013, net cash flow used in investing activities amounted to Baht 191,409 million compared to Baht 8,502 million in 2012 because of an acquisition of Makro business and investments in assets used in the normal course of business such as land, buildings and leasehold improvements, as well as capital expenditure spending on 7-Eleven store expansion and renovation, new distribution center in Samut Sakhon province, and investments in subsidiaries' businesses to support the Company's growth.

Cash Flow from Financing Activities

In 2013, net cash flow provided by financing activities totaled Baht 171,177 million, compared to net cash flow used in financing activities of Baht 5,614 million in the previous year. This is due to an increase of short-term loans from local and foreign financial institutions to finance Makro acquisition and the dividend payment for the year 2012 at Baht 0.90 per share, totaling Baht 8,084 million, compared to the dividend payment for the year 2011 at Baht 1.25 per share, totaling Baht 5,612 million (Calculated from the number of outstanding shares before stock dividend at a ratio of 1 existing share to 1 new share of 4,493,148,024 shares).



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

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

To support future stores expansion, the Company had improved efficiency of the supply chain management by building up a new distribution center in Mahachai sub-district, Samut Sakhon province with the schedule of completion within the first half of 2014. The expansion of distribution centers will support the Company's store expansion and enable the Company to deliver products more efficiently, provide new and differentiated products to customers on a timely manner, and strengthen the Company's competitive advantage. In addition, with Makro acquisition in 2013, interest bearing debt was higher from financing of local and foreign financial institutions. The Company; therefore, had higher liabilities. However, Makro performance has continued to grow and the Company believed that Makro business has strong growth potential in both domestic and international markets. The increase in cash flow from operations from both businesses will be able to service interest expense and repay loans.



AUDIT COMMITTEE'S REPORT

The company's Board of Directors appointed the Audit Committee consisting of the three independent non-executive directors who are knowledgeable and have experiences in various sectors such as legal affairs, organization management and financial accounting. These comprise of Prof. Dr. Komain Bhatarabhirom, as the Chairman of the Audit Committee, Mr. Pridi Boonyoung and Mr. Padoong Techasarintr, as members of the Committee and including Mr. Kidsada Euapiyachart, the Vice President of the Internal Audit Office, as the Audit Committee Secretary.

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

During the year 2013, the Audit Committee had 11 meetings with the presence of all the three committee members throughout the period. These meetings were held with the Internal Auditors and sometimes the External Auditors, the Accounting and Financial Management, the Information Technology and the Operational departments were invited to attend some agenda for exchange of ideas and suggestions. The main topics of the meetings have been summarized and reported to the company Board of Directors for every three months covering the following:

1. Review the quarterly and annually consolidated financial statements of both the company and its subsidiaries for the year 2013. The Management of Accounting and the other relevant departments were invited to review the financial statements, the disclosure of information in the notes to financial statements, the accounting policies, the special transactions and the critical projections. Additionally there were meetings with the External Auditors which freely discussed the important information in preparing the financial statements and their disclosure to be in conformity with the standard financial reporting for the benefit of the users of the financial statements. Moreover during carrying out the review and auditing of the External Auditors, the Audit Committee has not been notified about any frauds or any violations of law.

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

2. Review and revise the sufficiency and appropriateness of the internal control system of the company and its subsidiaries to reasonably ensure efficiency and effectiveness of the company's operations by adhering to the approved annual plan and to achieve the objectives and goals. The reports of the Internal Auditors were scrutinized during the meetings with them every month. This was to assess the systems of the Internal Control, the risk management and the good corporate governance and to follow up on the remedial actions according to the provided suggestions as well as to review the procedures and the preventive measures for frauds in all business units to check whether they were sufficient and appropriate to their business nature.

The Audit Committee agreed that the company's internal audit were independently carried out with sufficient and appropriate manpower and internal control system. As a result they were effectively and efficiently performed in accordance with the international standards which included the control of the environment,



risk assessment, the controlling activities, the good information technology and communication systems as well as the clear monitoring systems.

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

The Audit Committee agreed that the related transactions or the transactions which might cause conflict of interests were transparent, fair and generating the utmost benefits to the company's operation and its shareholders. The same commercial conditions used with the external parties were applied. Additionally they ascertained that the information was completely and sufficiently disclosed in accordance with the law and the regulations of the Securities and Exchange Commission.

As regards purchasing a wholesale business from the ex-major shareholders in June 2013, the tender offer included extremely high value of goodwill resulting in a negative sum of net tangible asset (NTA) as calculated and shown in the consolidated financial statements. Consequently this caused practical problems for the company and its subsidiaries when engaging in acquisition or disposal of the assets as well as carrying out the related transactions of the company and its subsidiaries stipulated in the announcements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Therefore the Management raised this concern to and discussed with the Board of SEC and SET as well as explained and clarified on all problems. The Boards of SEC and SET acknowledged and understood the company's operational problems and provided guidance that the company establishes their own procedures when engaging in significant transactions which considered as acquisition or disposal of assets and any related transactions taking into account that they must be fair and without siphoning of benefits. Accordingly the Company's Board of Directors called a meeting to consider the management's proposal for calculations of the NTA which were cautiously screened and taken into account the highest benefits of all Shareholders and endorsed by the Independent Directors and the Audit Committee and approved that the calculations of the NTA need not minus the goodwill value. The Management was advised to consult with SEC for appropriate and flexible actions or accept the above mention NTA calculation.

The Audit Committee agreed that the proposed method was appropriate and adhering to the utmost benefits of all the relating stakeholders. Additionally they had confidence with the guidelines and monitoring process of the Management when engaging the significant transactions which considered as acquisitions or disposal of assets and any related transactions that must be fair and without siphoning.

4. The Audit Committee and the Management emphasized on risk management by setting up policy and guidelines. These were a Risk Management Committee who has a duty in assessing the risks covering all



aspects both internal and external factors and their possibility to happen and affect the businesses. Additional they also established the preventive measures in order to mitigate the possible impacts and keep them at the acceptable level. Moreover the Risk Management Committee has regularly and continually reviewed and followed up on all risk items. This was to improve all measures in responding to the current changing situations including the communications to all staff to raise their awareness and implementation of the risks management guidelines in their works. The summary report of the works of the Risk Management Committee was submitted to the Board of Directors every 6 months. The Internal Auditors were assigned to monitor and to inspect whether the risk mitigation guidelines were being followed. This was to ascertain that the Company's risks were kept at the manageable and acceptable level.

The Audit Committee agreed that the company had the appropriate procedures in preventing risks and the management of changed situations which may affect the business was prompt and effective.

5. The Audit Committee found that the Management had a clear approach in working according to the Securities and Exchange Act as well as the regulations of the Stock Exchange of Thailand and all the laws which are important and relevant to the company's business including the company's obligations with the external parties. A staff has been designated to be directly responsible for this matter. According to the review it was not found that the Company deliberately refrained from or worked against the significant laws.
6. The Management was determined on managing the work in accordance with the good corporate governance guidelines for transparency and good ethic. There was a channel for receiving complaints pertaining to the works that might be deemed neglecting the laws, regulations and the company's codes of ethic. This was to build up confidence of the shareholders and the stakeholders. It enhanced the efficiency of working and as a result creating developments of the internal auditing towards preventive measures. In relation to this the company appointed the Good Governance Committee to be directly responsible for this initiative.
7. The Audit Committee reviewed the selection of the Auditors and expressed their opinion to the Board of Directors for further endorsement at the shareholders meeting. It was approved at the shareholders meeting the appointment of Mr. Charoen Phosamritlert, or Mr. Veerachai Ratanajaratkul, Ms. Munchupa Singsuksawat of KPMG Phoomchai Audit Ltd. as the company's external auditors for the year 2014 with the total fees of 4,600,000 baht.

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

February 20th, 2014

On behalf of the Audit Committee

(Prof. Dr. Komains Bhatarabhirom)
Chairman of the Audit Committee



BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTS

The Board of Directors of CP All Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2013, which are prepared according to Generally Accepted Accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely and able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

The Board of Directors believes that the Company's overall internal control system is able to create credibility and reliability for the financial statements of CP All Public Company Limited and its subsidiaries for the period ended December 31, 2013.

A handwritten signature in black ink, appearing to read 'Dhanin Chearavanont'.

(Mr. Dhanin Chearavanont)
Chairman

A handwritten signature in black ink, appearing to read 'Korsak Chairasmisak'.

(Mr. Korsak Chairasmisak)
Chairman of Executive Committee



**งบการเงินประจำปี
และรายงานของผู้สอบบัญชีรับอนุญาต**
Annual Financial Statements
and Auditor Report of Certified Public Accountant

สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2556
For the years ended 31 December 2013





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 2013, 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 2013 and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's and its subsidiaries' adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2012, which were audited by another auditor who expressed an unmodified opinion on those statements on 13 February 2013, and after making the adjustments described in note 3 to the financial statements. As part of my audit I have audited the adjustments described in note 3 to the financial statements that were applied to restate the corresponding figures. In my opinion, such adjustments are appropriate and have been properly applied.

(Charoen Phosamritlert)

Certified Public Accountant

Registration No. 4068

KPMG Phoomchai Audit Ltd.

Bangkok

20 February 2014 (Except for note 5 to the financial statements, which are dated 20 March 2014.)



CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
Current assets							
Cash and cash equivalents	7	24,632,252,846	23,084,975,812	14,201,712,209	15,642,314,092	19,367,985,562	10,804,492,327
Current investments	8	1,050,000,000	11,970,669,339	9,893,328,680	-	8,326,526,025	5,437,163,051
Trade accounts receivable	6, 9	848,215,281	541,203,760	476,647,510	119,443,847	100,796,688	170,569,581
Other accounts receivable	6, 10	1,576,451,052	1,347,564,613	499,891,661	1,980,311,300	1,683,084,868	645,975,606
Inventories	6, 11	19,915,860,237	9,148,331,073	8,642,208,577	9,219,368,431	8,286,271,341	7,901,008,700
Other current assets	6, 12	5,939,798,244	2,761,475,500	2,690,265,324	4,024,186,981	2,533,245,940	2,525,941,702
Total current assets		53,962,577,660	48,854,220,097	36,404,053,961	30,985,624,651	40,297,910,424	27,485,150,967
Non-current assets							
Investments in subsidiaries	13	-	-	-	202,207,831,495	6,523,828,965	6,504,828,995
Investment in related company	6	24,000,000	24,000,000	18,000,000	24,000,000	24,000,000	18,000,000
Other long-term investments	8	101,111,582	2,191,111,582	1,741,111,582	100,700,000	2,190,700,000	1,740,700,000
Long-term loans to subsidiaries	6	-	-	-	1,600,000,000	360,000,000	290,000,000
Investment properties		333,200,009	-	-	-	-	-
Property, plant and equipment	6, 14	71,272,531,129	18,094,249,109	14,993,990,443	18,342,901,333	13,710,636,703	11,743,397,149
Goodwill	15	125,514,461,060	137,247,956	137,247,956	-	-	-
Leasehold rights		1,952,614,502	325,356,762	311,132,620	381,943,527	325,356,762	311,132,620
Other intangible assets	16	33,545,826,599	896,131,877	683,836,216	633,987,163	583,398,416	449,680,849
Deferred tax assets	17	344,285,897	369,208,363	351,769,494	54,538,987	268,893,801	236,320,373
Other non-current assets	6, 18	1,614,872,920	1,276,147,657	1,051,494,748	1,797,633,339	1,564,499,253	1,359,275,152
Total non-current assets		234,702,903,698	23,313,453,306	19,288,583,059	225,143,535,844	25,551,313,900	22,653,335,138
Total assets		288,665,481,358	72,167,673,403	55,692,637,020	256,129,160,495	65,849,224,324	50,138,486,105

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



CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
Current liabilities							
Overdrafts and short-term borrowings							
from financial institutions	19	135,143,340,850	-	2,173,470	131,976,630,807	-	-
Trade accounts payable	6, 20	54,734,077,697	32,579,806,957	24,393,114,291	27,618,149,223	25,739,821,786	20,005,235,776
Other accounts payable	6, 21	2,976,465,596	1,775,276,526	1,116,258,324	10,412,533,460	7,990,552,459	4,384,641,990
Short-term borrowings from subsidiary	6, 19	-	-	-	2,359,177,040	-	-
Current portion of finance lease liabilities	19	27,870,154	-	-	-	-	-
Income tax payable		633,641,151	1,205,160,283	1,138,285,191	-	1,123,952,694	975,339,884
Other current liabilities	22	7,282,882,031	5,464,456,661	3,829,254,805	4,538,995,687	4,402,338,180	3,101,186,089
Total current liabilities		200,798,277,479	41,024,700,427	30,479,086,081	176,905,486,217	39,256,665,119	28,466,403,739
Non-current liabilities							
Debentures	19	50,000,000,000	-	-	50,000,000,000	-	-
Finance lease liabilities	19	165,512,440	-	-	-	-	-
Employee benefit obligations	23	1,485,751,564	954,915,953	757,878,420	818,561,944	704,186,364	611,980,000
Accrued guarantee deposits	24	3,174,332,398	2,831,556,895	2,403,773,204	3,057,952,533	2,716,031,030	2,282,708,449
Other non-current liabilities		34,181,250	1,199,500	1,276,000	-	-	-
Total non-current liabilities		54,859,777,652	3,787,672,348	3,162,927,624	53,876,514,477	3,420,217,394	2,894,688,449
Total liabilities		255,658,055,131	44,812,372,775	33,642,013,705	230,782,000,694	42,676,882,513	31,361,092,188

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



CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
Equity							
Share capital	25						
Authorised share capital		8,986,296,048	8,986,296,048	4,500,000,000	8,986,296,048	8,986,296,048	4,500,000,000
Issued and paid-up share capital		8,983,101,348	8,983,101,348	4,493,148,024	8,983,101,348	8,983,101,348	4,493,148,024
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	1,684,316,879	1,684,316,879
Retained earnings							
Appropriated							
Legal reserve	26	900,000,000	900,000,000	450,000,000	900,000,000	900,000,000	450,000,000
Unappropriated		18,497,197,993	16,045,000,380	15,555,847,947	13,779,741,574	11,604,923,584	12,149,929,014
Other components of equity		(1,283,669,155)	(511,848,742)	(361,408,747)	-	-	-
Equity attributable to equity holders of the Company		28,780,947,065	27,100,569,865	21,821,904,103	25,347,159,801	23,172,341,811	18,777,393,917
Non-controlling interests		4,226,479,162	254,730,763	228,719,212	-	-	-
Total equity		33,007,426,227	27,355,300,628	22,050,623,315	25,347,159,801	23,172,341,811	18,777,393,917
Total liabilities and equity		288,665,481,358	72,167,673,403	55,692,637,020	256,129,160,495	65,849,224,324	50,138,486,105

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	
		2013	2012 (Restated)	2013	2012 (Restated)
<i>(in Baht)</i>					
Income	6				
Revenue from sale of goods and rendering of services		272,285,532,785	188,702,047,485	201,669,012,106	184,798,922,176
Interest income		478,041,786	728,866,159	372,924,280	569,649,729
Dividend income		476,696	3,581,318	3,494,980,112	504,018,598
Net foreign exchange gain		-	38,587,253	-	22,011,131
Gain on changes in fair value of investment	5	71,702,031	-	-	-
Other income	28	11,834,536,291	8,342,519,995	11,958,007,887	8,800,544,141
Total Income		284,670,289,589	197,815,602,210	217,494,924,385	194,695,145,775
Expenses	6				
Cost of sale of goods and rendering of services	11	210,656,757,733	140,091,167,665	148,728,274,723	138,032,693,960
Selling expenses	11, 29	46,404,586,699	36,260,978,832	43,344,802,811	36,306,489,549
Administrative expenses	30	11,904,625,694	7,475,306,601	10,986,511,713	7,698,918,523
Net foreign exchange loss		569,653,792	-	607,094,360	-
Finance costs	33	2,214,030,392	25,261	2,179,436,410	-
Total expenses		271,749,654,310	183,827,478,359	205,846,120,017	182,038,102,032
Profit before income tax expense		12,920,635,279	13,988,123,851	11,648,804,368	12,657,043,743
Income tax expense	3, 34	2,292,394,518	2,913,373,488	1,389,195,165	2,642,466,119
Profit for the year		10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
Profit attributable to:					
Equity holders of the Company		10,536,988,826	11,048,735,487	10,259,609,203	10,014,577,624
Non-controlling interests		91,251,935	26,014,876	-	-
Profit for the year		10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
Basic earnings per share	36	1.17	1.23	1.14	1.11

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



CP ALL Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
	<i>(in Baht)</i>			
Profit for the year	10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
Other comprehensive income				
Currency translation differences	370,765,212	(150,439,995)	-	-
Other comprehensive income for the year	370,765,212	(150,439,995)	-	-
Total comprehensive income for the year	10,999,005,973	10,924,310,367	10,259,609,203	10,014,577,624
Total comprehensive income attributable to:				
Equity holders of the Company	10,907,754,038	10,898,295,491	10,259,609,203	10,014,577,624
Non-controlling interests	91,251,935	26,014,876	-	-
Total comprehensive income for the year	10,999,005,973	10,924,310,368	10,259,609,203	10,014,577,624

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



CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

Note	Consolidated financial statements (Restated)										
	Retained earnings					Other components of equity					Total equity
	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	Equity attributable to equity holders of the Company	Non-controlling interests		
	8,983,101,348	1,684,316,879	900,000,000	15,688,196,662	(511,848,742)	-	(511,848,742)	26,743,766,147	242,326,118	26,986,092,265	
3	-	-	-	356,803,718	-	-	-	356,803,718	12,404,645	369,208,363	
	8,983,101,348	1,684,316,879	900,000,000	16,045,000,380	(511,848,742)	-	(511,848,742)	27,100,569,865	254,730,763	27,355,300,628	
	-	-	-	-	-	-	-	-	-	-	
37	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(50,932,491)	(8,135,723,704)	
	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(50,932,491)	(8,135,724,049)	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	(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	
	-	-	-	-	-	-	-	-	3,931,429,500	2,788,843,675	
	-	-	-	(8,084,791,213)	-	-	(1,142,585,625)	(9,227,376,838)	3,880,496,464	(5,346,880,374)	
	-	-	-	10,536,988,826	-	-	-	10,536,988,826	91,251,935	10,628,240,761	
	-	-	-	-	370,765,212	-	-	370,765,212	-	370,765,212	
	-	-	-	10,536,988,826	370,765,212	-	-	10,907,754,038	91,251,935	10,999,005,973	
	8,983,101,348	1,684,316,879	900,000,000	18,497,197,993	(141,083,530)	-	(1,283,669,155)	28,780,947,065	4,226,479,162	33,007,426,227	

Year ended 31 December 2013

Balance at 1 January 2013

- as previously reported

Impact of changes in accounting policies

Balance at 1 January 2013 - restated

Transactions with equity holders, recorded directly in equity

Distributions to equity holders

Reduction of ordinary shares

Dividends

Total distributions to equity holders

Changes in ownership interests in subsidiaries

Acquisition of non-controlling interests

without a change in control

Acquisition of non-controlling interests

with a change in control

Total changes in ownership interests in subsidiaries

Total transactions with equity holders, recorded directly in equity

Comprehensive income for the year

Profit

Other comprehensive income

Total comprehensive income for the year

Balance at 31 December 2013

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 (Restated)				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
				Legal reserve (in Baht)	Unappropriated retained earnings	
Year ended 31 December 2013						
Balance at 1 January 2013 - as previously reported		8,983,101,348	1,684,316,879	900,000,000	11,336,029,783	22,903,448,010
Impact of changes in accounting policies	3	-	-	-	268,893,801	268,893,801
Balance at 1 January 2013 - restated		8,983,101,348	1,684,316,879	900,000,000	11,604,923,584	23,172,341,811
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Dividends	37	-	-	-	(8,084,791,213)	(8,084,791,213)
Total transactions with equity holders, recorded directly in equity		-	-	-	(8,084,791,213)	(8,084,791,213)
Comprehensive income for the year						
Profit		-	-	-	10,259,609,203	10,259,609,203
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	10,259,609,203	10,259,609,203
Balance at 31 December 2013		8,983,101,348	1,684,316,879	900,000,000	13,779,741,574	25,347,159,801

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 (Restated)				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve (in Baht)	Unappropriated retained earnings	
Year ended 31 December 2012						
Balance at 1 January 2012 - as previously reported		4,493,148,024	1,684,316,879	450,000,000	11,913,608,641	18,541,073,544
Impact of changes in accounting policies	3	-	-	-	236,320,373	236,320,373
Balance at 1 January 2012 - restated		4,493,148,024	1,684,316,879	450,000,000	12,149,929,014	18,777,393,917
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Issue of ordinary shares	25	4,489,953,324	-	-	-	4,489,953,324
Cash and stock dividends	37	-	-	-	(10,109,583,054)	(10,109,583,054)
Total transactions with equity holders, recorded directly in equity		4,489,953,324	-	-	(10,109,583,054)	(5,619,629,730)
Comprehensive income for the year						
Profit		-	-	-	10,014,577,624	10,014,577,624
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	10,014,577,624	10,014,577,624
Transfer to legal reserve	26	-	-	450,000,000	(450,000,000)	-
Balance at 31 December 2012		8,983,101,348	1,684,316,879	900,000,000	11,604,923,584	23,172,341,811

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 financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the year		10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
<i>Adjustments for</i>					
Depreciation	14, 32	4,317,951,028	3,173,281,359	3,207,201,920	2,805,882,946
Amortisation of leasehold rights	32	145,662,588	87,091,422	97,540,248	87,091,422
Amortisation of other intangible assets	16, 32	161,704,489	108,069,242	95,660,462	71,487,746
Interest income		(478,041,786)	(728,866,159)	(372,924,280)	(569,649,729)
Dividend income		(476,696)	(3,581,318)	(3,494,980,112)	(504,018,598)
Finance costs	33	2,214,030,392	25,261	2,179,436,410	-
Income tax expense	34	2,292,394,518	2,913,373,488	1,389,195,165	2,642,466,119
Provision for employees' severance pay	23	238,662,332	231,856,433	120,636,000	124,440,424
Allowance for losses on slow-moving inventories (reversal of allowance for losses on slow-moving inventories)		(158,569,713)	46,710,755	(175,817,007)	62,232,604
Reversal of impairment of property, plant and equipment		(6,106,152)	-	-	-
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)		10,895,015	11,386,018	(454,488)	10,936,183
Unrealised (gain) loss on exchange		1,917,133,710	(37,327,199)	2,099,013,367	(6,425,028)
Gains on changes in fair value of investment	5	(71,702,031)	-	-	-
Loss on disposal and write-off of property, plant and equipment		109,864,105	150,672,896	92,747,239	154,136,178
Gain on disposal of leasehold rights		(8,287,483)	(7,421,043)	(8,287,483)	(7,421,043)
		<u>21,313,355,077</u>	<u>17,020,021,518</u>	<u>15,488,576,644</u>	<u>14,885,736,848</u>

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 financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
<i>(in Baht)</i>					
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(158,510,472)	(64,976,950)	(18,647,159)	69,772,893
Other accounts receivable		(204,575,581)	(858,638,270)	(290,323,016)	(1,048,227,660)
Inventories		(3,073,080,591)	(552,833,251)	(757,280,083)	(447,495,245)
Other current assets		(1,657,974,037)	61,493,133	(1,384,638,230)	76,882,579
Other non-current assets		(34,814,296)	(221,087,417)	(233,134,086)	(205,224,101)
Trade accounts payable		8,299,147,465	8,186,692,666	1,878,327,437	5,734,586,010
Other accounts payable		153,422,208	274,643,975	2,268,040,437	3,314,247,817
Other current liabilities		(22,302,498)	1,659,817,503	(456,447,894)	1,325,540,429
Employee benefit obligations paid	23	(14,121,953)	(34,818,900)	(6,766,820)	(32,234,060)
Transferred in of employee benefit obligations	23	1,808,500	-	506,400	-
Accrued guarantee deposits		342,775,503	427,783,691	341,921,503	433,322,581
Other non-current liabilities		(1,222,604)	(76,500)	-	-
Cash generated from operating activities		24,943,906,721	25,898,021,198	16,830,135,133	24,106,908,091
Income tax paid		(3,319,793,263)	(2,866,433,803)	(2,537,689,344)	(2,526,426,737)
Net cash provided by operating activities		21,624,113,458	23,031,587,395	14,292,445,789	21,580,481,354
<i>Cash flows from investing activities</i>					
Interest received		633,352,889	630,750,899	468,055,852	516,658,116
Dividends received		476,696	3,581,318	3,494,980,112	504,018,598
Purchase of current investments	8	(5,450,000,000)	(13,165,527,349)	(3,300,000,000)	(12,345,527,348)
Sale of current investments	8	16,467,220,496	10,939,699,409	11,657,539,015	9,400,000,000
Net cash outflow on purchase of subsidiaries		(193,126,864,134)	-	-	-
Cash outflow on investment in subsidiaries	13	-	-	(195,684,002,530)	(18,999,970)
Cash outflow to non-controlling interests		(345)	-	-	-
Cash inflow from non-controlling interests		-	30	-	-
Cash outflow on investment in related company	6	-	(6,000,000)	-	(6,000,000)

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 financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
			<i>(in Baht)</i>		
Cash outflow on other long-term investments	8	-	(800,000,000)	-	(800,000,000)
Cash inflow on other long-term investments	8	2,090,000,000	350,000,000	2,090,000,000	350,000,000
Cash outflow on long-term loans to subsidiaries	6	-	-	(1,920,000,000)	(610,000,000)
Cash inflow on long-term loans to subsidiaries	6	-	-	680,000,000	540,000,000
Purchase of property, plant and equipment	39	(11,272,382,055)	(6,346,566,476)	(7,721,687,881)	(5,030,657,130)
Sale of property, plant and equipment		81,241,730	306,627,802	63,940,404	293,610,839
Purchase of leasehold rights		(391,414,030)	(102,735,950)	(154,527,571)	(102,735,950)
Sale of leasehold rights		8,688,042	8,841,429	8,688,042	8,841,429
Purchase of other intangible assets		(452,349,869)	(320,998,321)	(181,304,542)	(103,755,050)
Sale of other intangible assets		3,183,993	90,679	-	2
Net cash used in investing activities		(191,408,846,587)	(8,502,236,530)	(190,498,319,099)	(7,404,546,464)
<i>Cash flows from financing activities</i>					
Interest paid		(1,710,148,137)	(25,261)	(1,672,811,812)	-
Dividends paid to equity holders of the Company		(8,083,780,828)	(5,612,441,655)	(8,083,780,828)	(5,612,441,655)
Dividends paid to non-controlling interests		(50,932,491)	(3,355)	-	-
Finance lease payments		(21,592,056)	-	-	-
Increase in short-term borrowings from financial institutions	19	199,013,485,255	-	197,951,093,865	-
Decrease in short-term borrowings from financial institutions	19	(67,969,963,549)	(2,173,470)	(67,969,963,549)	-
Increase in short-term borrowing from subsidiary	6	-	-	3,110,600,000	-
Decrease in short-term borrowing from subsidiary	6	-	-	(883,410,400)	-
Proceeds from issue of debentures	19	50,000,000,000	-	50,000,000,000	-
Net cash provided by (used in) financing activities		171,177,068,194	(5,614,643,741)	172,451,727,276	(5,612,441,655)

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



CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements		
	For the year ended 31 December		For the year ended 31 December		
	Note	2013	2012 (Restated)	2013	2012 (Restated)
		<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents		1,392,335,065	8,914,707,124	(3,754,146,034)	8,563,493,235
Cash and cash equivalents at 1 January		23,084,975,812	14,201,712,209	19,367,985,562	10,804,492,327
Effect of exchange rate changes on balances held in foreign currencies		154,941,969	(31,443,521)	28,474,564	-
Cash and cash equivalents at 31 December	7	<u>24,632,252,846</u>	<u>23,084,975,812</u>	<u>15,642,314,092</u>	<u>19,367,985,562</u>

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



CP ALL Public Company Limited and its Subsidiaries

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CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 20 February 2014.

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 2013 was 7,429 stores (2012: 6,822 stores).

	2013	2012
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,248	2,984
The Company franchises the license to other retailers under management agreements	3,593	3,320
The Company franchises the license to other retailers under sub-license agreements	588	518
Total	<u>7,429</u>	<u>6,822</u>

Details of the Company’s subsidiaries as at 31 December 2013 and 2012 are given in note 13 to the financial statements.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP 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 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effect of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 3 to the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 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 accounting policies.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(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.

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:

Note 4(u)	Current and deferred taxation
Note 5	Business combinations - buy shares
Note 23	Measurement of employee benefit obligations
Note 38	Valuation of financial instruments

3 Changes in accounting policies

(a) *Overview*

From 1 January 2013, 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 income tax
 Accounting for government grants and disclosures of government assistance
 Accounting for the effects of changes in foreign exchange rates
 Presentation of information on operating segments



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

(b) Accounting for income tax

The principle change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the asset or liability in the statement of financial position and the amount attributed to that asset or liability for tax purposes; and the carryforward of unused tax losses. The accounting policy for deferred tax is described in note 4(u) to the financial statements.

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
<i>Statement of financial position as at</i>	<i>(in million Baht)</i>					
Increase in deferred tax assets	344	369	352	55	269	236
Increase in retained earnings	(336)	(357)	(331)	(55)	(269)	(236)
Increase in non-controlling interests	(8)	(12)	(21)	-	-	-
	Consolidated financial statements		Separate financial statements			
<i>Statement of income for the year ended 31 December</i>	2013	2012	2013	2012		
	<i>(in million Baht)</i>					
(Increase) decrease in income tax expense		(224)	17	(214)	33	
(Increase) decrease in profit for the year		224	(17)	214	(33)	



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(c) Accounting for government grants and disclosures of government assistance

From 1 January 2013, the Group has adopted TAS 20 Accounting for Government Grants and Disclosures of Government Assistance.

The change has had no significant effect to the Group's financial statements.

(d) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the Effects of Changes in Foreign Exchange Rates.

The principle change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its function currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(e) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group’s financial statements.

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If there are future services requirement, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 functional currency (Thai Baht) at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that 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 using the foreign exchange rates ruling 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.

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



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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, interest rate 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

(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 principle 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 principle, 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 principle.

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(h) *Investments*

Investments in subsidiaries

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

Investments in other debt and equity securities

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

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

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

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

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

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 depreciation and 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

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

Depreciation

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

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



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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, 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.

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:



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Computer software	2 - 10 years
Intellectual property	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 30 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

The recoverable amount of a non-financial assets 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(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 bond 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.

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 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 risk regarding uncertainties of future economic benefits, unreasonable measurement of consideration due and associated costs, or the probable certain on return of goods. Service income is recognised as services are provided.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Initial fees, royalties and exclusive fees

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

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

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 exclusive fees for the goods as specified in the agreements. In case of violation or cancellation of the agreements by the Company without reasonable reason, the suppliers have rights to refund such exclusive fees according to the valuation of the remaining period. But in case of cancellation of the agreements by the merchandise suppliers, such exclusive fees are non-refundable. The Company recognises the exclusive fees as income over the periods of agreements.

Other income

Other operating income and interest income are recognised in profit or loss on the 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(t) *Lease payments*

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

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

Determining whether an arrangement contains a lease

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

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

(u) *Income tax*

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

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



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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

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

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

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

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



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(v) *Earnings per share*

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

(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 expenses, and tax assets and liabilities.

5 Business combinations - buy shares

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 are 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 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").



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 ⁽¹⁾	63,748	9.42	-	-	63,748	9.42
Total	124,998	99.99	-	-	124,998	99.99
Siam Makro Holding (Thailand) Ltd.						
- Ordinary shares	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
Total	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
Siam Makro Public Company Limited						
- Ordinary shares	22,414,360	9.34	132,015,140	55.01	154,429,500	64.35
Total	22,414,360	9.34	132,015,140	55.01	154,429,500	64.35

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

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The Company has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2009) *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:

Consideration transferred

	<i>(in million Baht)</i>
Cash paid	192,420
Total	192,420

Identifiable assets acquired and liabilities assumed

	Fair Value <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
Intellectual property	32,106
Other intangible assets	315
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)
Other non-current liabilities	(127)
Net assets	73,155
Non-controlling interests of the acquiree (based on 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	125,377
Consideration transferred	192,420



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 had completed the process of appraising the fair value in January 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 benefit of trademark “Makro”, 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.

For the preparation of the consolidated financial statements for the year ended 31 December 2013, the Company has adjusted the fair values of the consideration received from the acquired businesses, and measured components of non-controlling interests at fair value and recorded the difference amount between the purchasing price and the value of consideration received in the account “Goodwill” amounting to Baht 125,377 million by considering the information from the draft report of an independent appraiser and other current relevant factors which may affect such information. However, the Company has a policy to continuously review the fair value of identifiable assets acquired; such as property, plant and equipment, intellectual property and information technology, etc., and liabilities assumed; and allocation of acquisition-date fair value. In accordance with TFRS No. 3 (revised 2009), if new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

Investment in Makro before Business Combinations

Before the business combinations, 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 combinations 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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

Ownership Interests in Makro Shares

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

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

The Change in Par Value of Ordinary Shares of Makro

At the extraordinary general shareholders' meeting of Makro held on 20 September 2013, the 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 had a direct and indirect shares in Makro increased from 234,907,475 shares to 4,698,149,500 shares.

Operations of 3 New Subsidiaries after Acquisition Date

The Company included 3 new subsidiaries, namely (1) OHT Co., Ltd., (2) Siam Makro Holding (Thailand) Ltd., and (3) Siam Makro Public Company Limited and its subsidiaries, during 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:



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(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 period 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	129,087
Profit for the year attributable to equity holders of the Company	4,207

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.

6 Related parties transactions

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

Relationships with 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
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of parties	Country of incorporation/ nationality	Nature of relationships
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Thai News Network (TNN) 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
C.P. Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
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 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
Perfect Companion Group 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
True Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
True Corporation Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 4 common directors
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is a major shareholder
C.P. Intertrade Co., Ltd.	Thailand	Chearavanont family is a major shareholder
Dees Supreme Co., Ltd.	Thailand	Family's member of 1 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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



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Notes to the financial statements

Significant transactions for the years ended 31 December 2013 and 2012 with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	9	9	9	9
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	472	402
Interest income	-	-	47	7
Dividend income	-	-	3,494	500
Other income	-	-	826	594
Selling expenses	-	-	1,304	996
Administrative expenses	-	-	1,460	1,328
Purchases of goods and services	-	-	9,738	8,597
Purchases of property, plant and equipment	-	-	1,565	1,289
Interest expense	-	-	3	-
Related companies				
Revenue from sale of goods and rendering of services	1,669	1,581	649	605
Other income	594	217	588	211
Selling expenses	46	13	-	-
Administrative expenses	600	489	536	463
Purchases of goods and services	22,703	19,762	20,316	18,271
Purchases of property, plant and equipment	6	-	-	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefit	494	354	382	354
Other long-term employee benefit	11	-	-	-
Severance pay for employees	23	9	18	9
Total key management benefit expenses	528	363	400	363



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Balances as at 31 December 2013 and 2012 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Related companies				
C.P. Merchandising Co., Ltd.	19	45	-	-
BFKT (Thailand) Co., Ltd	17	8	-	-
CPF Trading Co., Ltd.	11	12	-	-
True Universal Convergence Co., Ltd.	7	2	-	-
True Distribution and Sales Co., Ltd.	5	3	-	-
True Move Co., Ltd.	4	14	-	-
CPF (Thailand) Public Company Limited	3	5	-	-
True Lifestyle Retail Co., Ltd.	3	2	-	-
True Corporation Public Company Limited	1	6	-	-
Other	6	44	-	-
Total	76	141	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
Net	74	139	-	-
Bad and doubtful debts expenses for the year	-	-	-	-

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiaries				
Thai Smart Card Co., Ltd.	-	-	285	215
Counter Service Co., Ltd.	-	-	119	104
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	36	21
Other	-	-	8	4
Total	-	-	448	344



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Related companies				
True Money Co., Ltd.	114	113	114	113
CPF Trading Co., Ltd.	47	20	46	19
True Distribution and Sales Co., Ltd.	37	11	37	11
Real Move Co., Ltd.	36	-	36	-
CP-Meiji Co., Ltd	18	9	18	9
Allianz C.P. General Insurance Public Company Limited	8	53	8	53
C.P. Consumer Products Co., Ltd.	8	3	8	3
Other	2	3	1	4
Total	270	212	268	212
Grand total	270	212	716	556
Bad and doubtful debts expenses for the year	-	-	-	-

Investment in related company

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
True GS Co., Ltd.	24	24	24	24
Total	24	24	24	24

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	24	18	24	18
Acquisitions	-	6	-	6
At 31 December	24	24	24	24

All investment in related company of the Company as at 31 December 2013 and 2012 was dominated entirely in Thai Baht.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Long-term loans to subsidiaries

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	1,600	350
Dynamic Management Co., Ltd.	-	-	-	10
Total	-	-	1,600	360

All long-term loans to subsidiaries of the Company as at 31 December 2013 and 2012 were dominated entirely in Thai Baht.

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	360	290
Increases	-	-	1,920	610
Decreases	-	-	(680)	(540)
At 31 December	-	-	1,600	360

Interest rate as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(interest rate per annum)</i>			
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	4.75%	3.50%
Dynamic Management Co., Ltd.	-	-	-	3.50%

As at 31 December 2013 and 2012 the balances of long-term loans to subsidiaries were unsecured and without a fixed repayment term.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Prepaid rental and service fees

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiary				
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	254	284
Total	<u>-</u>	<u>-</u>	<u>284</u>	<u>314</u>

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

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiaries				
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	259	271
Other	-	-	1	-
Total	<u>-</u>	<u>-</u>	<u>260</u>	<u>271</u>
Related companies				
True Money Co., Ltd.	1,573	1,546	1,568	1,536
CPF Trading Co., Ltd.	1,567	1,353	1,179	1,061
CPF (Thailand) Public Company Limited	642	439	-	-
CP-Meiji Co., Ltd.	395	278	366	278
True Distribution and Sales Co., Ltd.	235	291	235	291
C.P. Food Store Co., Ltd.	135	59	52	41
C.P. Consumer Products Co., Ltd.	122	86	93	84



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
C.P. Packaging Industry Co., Ltd.	91	97	90	97
Dees Supreme Co., Ltd.	85	130	84	130
Perfect Companion Group Co., Ltd.	77	33	39	33
Real Move Co., Ltd.	66	34	3	1
Other	81	62	5	7
Total	5,069	4,408	3,714	3,559
Grand total	5,069	4,408	3,974	3,830

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiaries				
Counter Service Co., Ltd.	-	-	8,136	6,146
Thai Smart Card Co., Ltd.	-	-	309	247
Gosoft (Thailand) Co., Ltd.	-	-	287	239
CP Retailink Co., Ltd. (formerly "Retailink (Thailand) Co., Ltd.")	-	-	150	147
MAM Heart Co., Ltd	-	-	21	40
Panyatara Co., Ltd	-	-	12	12
Panyapiwat Technological College	-	-	-	32
Other	-	-	8	10
Total	-	-	8,923	6,873
Related companies				
True Universal Convergence Co., Ltd.	7	14	7	14
C.P. Intertrade Co., Ltd.	4	2	-	-
CPF Trading Co., Ltd.	3	-	-	-
Thai News Network (TNN) Co., Ltd.	2	6	2	6
Other	12	15	1	2
Total	28	37	10	22
Grand total	28	37	8,933	6,895



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Short-term borrowing from subsidiary

Subsidiary	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Lotus Distribution Investment Limited	-	-	2,359	-
Total	-	-	2,359	-

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	-	-	3,111	-
Decreases	-	-	(883)	-
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United State Dollar to Thai Baht	-	-	131	-
At 31 December	-	-	2,359	-

As at 31 December 2013 the balance of short-term borrowing from subsidiary was denominated in United State Dollars, unsecured and fixed repayment term. The interest rate was fixed at 0.25% per annum.

Significant agreements with related parties

As at 31 December 2013 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 2014. In consideration thereof, the Company agrees to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agrees to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agrees to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agrees to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agrees to provide the installation of computer system to support bill payment services. In consideration thereof, the subsidiary agrees to pay monthly service fees to the Company in accordance with the types of services 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 agrees to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agrees to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd. (formerly "Retailink (Thailand) Co., Ltd."), a local subsidiary. Under the terms of the agreement, the subsidiary agrees to provide the maintenance of the computer hardware and equipment services to the Company for a period of 3 years ending in December 2014. In consideration thereof, the Company agrees 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 agrees to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2014. In consideration thereof, the subsidiary agrees to pay an annual service fee to the Company at the amount stipulated in the agreement.
- (g) The Company and its certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, for lease spaces in its building for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agree to pay monthly rental and services fees totaling Baht 9.1 million, and place guarantee deposits with the related company totaling Baht 24.0 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.



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Notes to the financial statements

- (h) The Company and its certain local subsidiaries have information system service agreements with Gosoft (Thailand) Co., Ltd., a local subsidiary. Under the terms of the agreements, the subsidiary agrees to provide the service over the consulting, advisory, development, design, installation, maintenance and supporting of the information system to the Company and the subsidiaries for a period of 1 year ending in December 2014. In consideration thereof, the Company and the subsidiaries agree to pay a service fee at the amount 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 of trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee calculated by percentages of its sales as stipulated in the agreement. This agreement is effective for a period of 1 year and 6 months ending in December 2014.
 - (2) the use of software under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee 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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cash on hand	14,027	8,752	11,399	8,751
Cash at financial institutions				
- current accounts	687	489	498	301
Cash at financial institutions				
- savings accounts	7,664	7,449	3,645	5,224
Highly liquid short-term investments	2,254	6,395	100	5,092
Total	24,632	23,085	15,642	19,368



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The currency denomination of cash and cash equivalents as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	22,461	21,759	15,405	19,368
China Renminbi	1,488	792	-	-
United States Dollars	677	533	237	-
Vietnamese Dong	5	-	-	-
Hong Kong Dollars	1	1	-	-
Total	24,632	23,085	15,642	19,368

8 Other investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Current investments				
Cash at financial institutions				
- time deposits	-	10,391	-	7,327
Promissory notes	1,050	1,380	-	800
Fund managed by financial institution	-	200	-	200
Total	1,050	11,971	-	8,327
Other long-term investments				
Promissory notes	-	1,300	-	1,300
Government bonds	1	501	1	501
Unsecured debentures	100	390	100	390
Total	101	2,191	101	2,191
Grand total	1,151	14,162	101	10,518

Held-to-maturity investments have interest rates between 2.25% to 5.90% (2012: interest rates between 1.51% to 5.90%) and mature within 10 years (2012: mature within 10 years).



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The currency denomination of other investments as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	1,151	10,071	101	9,491
China Renminbi	-	3,064	-	-
United States Dollars	-	1,027	-	1,027
Total	1,151	14,162	101	10,518

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Current investments</i>				
At 1 January	11,971	9,893	8,327	5,437
Increases	5,450	13,166	3,300	12,346
Decreases	(16,467)	(10,940)	(11,658)	(9,400)
Effect of exchange rate	96	(148)	31	(56)
At 31 December	1,050	11,971	-	8,327
<i>Other long-term investments</i>				
At 1 January	2,191	1,741	2,191	1,741
Increases	-	800	-	800
Decreases	(2,090)	(350)	(2,090)	(350)
At 31 December	101	2,191	101	2,191



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Notes to the financial statements

9 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	76	141	-	-
Other parties		801	418	119	101
Total		877	559	119	101
Less allowance for doubtful accounts		(29)	(18)	-	-
Net		848	541	119	101
Bad and doubtful debts expense for the year		11	-	-	-

Aging analyses for trade accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		42	109	-	-
Overdue:					
Less than 3 months		33	31	-	-
3 - 6 months		1	1	-	-
Total		76	141	-	-
Less allowance for doubtful accounts		(2)	(2)	-	-
Net	6	74	139	-	-
Other parties					
Within credit terms		594	360	101	101
Overdue:					
Less than 3 months		176	53	18	-
3 - 6 months		1	2	-	-
6 - 12 months		7	-	-	-
Over 12 months		23	3	-	-
Total		801	418	119	101
Less allowance for doubtful accounts		(27)	(16)	-	-
Net		774	402	119	101
Grand total		848	541	119	101



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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

The currency denomination of trade accounts receivable as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	834	537	119	101
United States Dollars	12	3	-	-
Pound Sterling	2	-	-	-
Hong Kong Dollars	-	1	-	-
Total	848	541	119	101

10 Other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	270	212	716	556
Other parties		1,321	1,143	1,270	1,134
Total		1,591	1,355	1,986	1,690
Less allowance for doubtful accounts		(15)	(7)	(6)	(7)
Net		1,576	1,348	1,980	1,683
Bad and doubtful debts expense for the year (reversal of allowance for doubtful account)		(1)	11	(1)	11



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Aging analyses for other accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Related parties					
Within credit terms		239	102	684	446
Overdue:					
Less than 3 months		26	64	26	64
3 - 6 months		2	2	2	2
6 - 12 months		3	44	4	44
Total	6	<u>270</u>	<u>212</u>	<u>716</u>	<u>556</u>
Other parties					
Within credit terms		1,149	943	1,115	941
Overdue:					
Less than 3 months		153	187	147	185
3 - 6 months		3	4	-	-
6 - 12 months		2	1	1	-
Over 12 months		14	8	7	8
Total		<u>1,321</u>	<u>1,143</u>	<u>1,270</u>	<u>1,134</u>
Less allowance for doubtful accounts		(15)	(7)	(6)	(7)
Net		<u>1,306</u>	<u>1,136</u>	<u>1,264</u>	<u>1,127</u>
Grand total		<u>1,576</u>	<u>1,348</u>	<u>1,980</u>	<u>1,683</u>

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

The currency denomination of other accounts receivable as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Thai Baht	1,574	1,348	1,980	1,683
China Renminbi	2	-	-	-
Total	<u>1,576</u>	<u>1,348</u>	<u>1,980</u>	<u>1,683</u>



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Finished goods	20,068	9,322	9,541	8,784
Work in progress	64	52	-	-
Raw materials	320	303	-	-
Total	20,452	9,677	9,541	8,784
Less allowance for losses on slow-moving inventories	(536)	(529)	(322)	(498)
Net	19,916	9,148	9,219	8,286

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 2013 amounted to Baht 208,153 million (2012: Baht 138,205 million) and Baht 1,304 million (2012: Baht 1,256 million) in the consolidated financial statements, respectively, and Baht 148,728 million (2012: Baht 138,033 million) and Baht 1,305 million (2012: Baht 1,254 million) in the separate financial statements respectively.

12 Other current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Accrued income	1,898	781	785	744
Prepaid expenses	1,614	327	1,496	243
Cash card	1,295	1,281	1,295	1,281
Prepaid income tax	248	9	239	-
Receivable from Revenue Department	203	198	161	168
Loans to employees	1	31	-	23
Other	681	134	48	74
Total	5,940	2,761	4,024	2,533



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The currency denomination of other current assets as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	5,427	2,702	4,024	2,533
China Renminbi	513	59	-	-
Total	5,940	2,761	4,024	2,533

13 Investments in subsidiaries

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	6,524	6,505
Increases	-	-	195,684	19
At 31 December	-	-	202,208	6,524

Details of the additional investments as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Gosoft (Thailand) Co., Ltd.	-	-	-	18
All Training Co., Ltd.	-	-	-	1
All Corporation Co., Ltd.	-	-	13	-
Albuera International Limited	-	-	-*	-
OHT Co., Ltd.	-	-	57,754	-
Siam Makro Holding (Thailand) Ltd.	-	-	55,490	-
Siam Makro Public Company Limited	-	-	82,427	-
Total	-	-	195,684	19

* 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 2013 and 2012, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests		Paid-up capital		At cost		Dividend income	
			2013	2012	2013	2012	2013	2012	2013	2012
			(%)	(%)	(in million US\$)	(in million US\$)	(in million Baht)	(in million Baht)		
Foreign direct subsidiaries										
Lotus Distribution Holding company		British Virgin Islands	100.00	100.00	116	116	3,857	3,857	-	-
Albuera International Limited		British Virgin Islands	100.00	-	.*	-	.*	-	-	-
Total					3,857	3,857	3,857	3,857	-	-

* As at 31 December 2013 Albuera International Limited (“Albuera”) had paid-up capital amounting to USD 1 and the Company invested in Albuera amounting to USD 1.





CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of parties	Type of business	Country of incorporation	Ownership interests (%)		Separate financial statements (Continued)					
			2013	2012	Paid-up capital 2013	Paid-up capital 2012	At cost 2013	At cost 2012	Dividend income 2013	Dividend income 2012
<i>(in million Baht)</i>										
Local direct and indirect subsidiaries										
Suksapiwat Co., Ltd.	Educational institution	Thailand	99.99	99.99	810	810	810	810	-	-
CPRAM Co., Ltd. (formerly "C.P. Retailing and Marketing 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	766	402
CP Retailink Co., Ltd. (formerly "Retailink (Thailand) Co., Ltd.")	Distributor of equipment for retailing and software	Thailand	99.99	99.99	20	20	20	20	40	20
Gosoft (Thailand) Co., Ltd.	Information system development design and development services	Thailand	99.99	99.99	20	20	20	20	160	58





CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of parties	Type of business	Country of incorporation	Ownership interests (%)		Separate financial statements (Continued)				
			2013	2012	Paid-up capital	At cost	Dividend income		
					2013	2012	2013	2012	2013
All Corporation Limited	Holding company	Thailand	99.99	-	13	-	-	-	-
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	-	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	30	20	
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	40	-	
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	110	-	
OHT Co., Ltd.	Holding company	Thailand	99.99	-	12	57,754	673	-	
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	99.99	-	1,066	55,490	646	-	
Siam Makro Public Company Limited	Cash and carry	Thailand	97.88	-	2,400	82,427	1,029	-	
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,151	-	-	
Total					<u>198,351</u>	<u>2,667</u>	<u>3,494</u>	<u>500</u>	
Grand total					<u>202,208</u>	<u>6,524</u>	<u>3,494</u>	<u>500</u>	



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Details of the Company's indirect subsidiaries as at 31 December 2013 and 2012 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests	
			2013	2012
(%)				
<i>Foreign indirect subsidiaries</i>				
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People's Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People's Republic of China	100.00	100.00
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	97.88	-
<i>Local indirect subsidiaries</i>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	-



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Separate financial statements (in million Baht)					Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under construction and installation	
Cost						
At 1 January 2012	1,174	8,577	6,008	7,844	51	26,292
Additions	282	28	1,159	1,357	2,214	5,221
Transfers	-	1,724	10	24	(2,039)	-
Disposals	-	(697)	(399)	(750)	-	(2,027)
At 31 December 2012 and 1 January 2013	1,456	9,632	6,778	8,475	226	29,486
Additions	868	14	1,220	1,728	3,987	7,996
Transfers	7	2,081	72	6	(2,433)	-
Disposals	-	(296)	(292)	(399)	-	(1,060)
At 31 December 2013	2,331	11,431	7,778	9,810	1,780	36,422



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

As at 31 December 2013 the Group had assets under finance leases with a net book value amounted to Baht 179 million (2012: nil)

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 2013 amounted to Baht 13,978 million (2012: Baht 8,732 million) in the consolidated financial statements and Baht 8,334 million (2012: Baht 7,549 million) in the separate financial statements, respectively.

15 Goodwill

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Cost					
At 1 January		137	137	-	-
Acquired through business combinations	5	125,377	-	-	-
At 31 December		125,514	137	-	-
Impairment losses					
At 1 January		-	-	-	-
Impairment losses		-	-	-	-
At 31 December		-	-	-	-
Net book value					
At 1 January		137	137	-	-
At 31 December		125,514	137	-	-



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

16 Other intangible assets

	Consolidated financial statements			Total
	Computer software in use and under development	Intellectual property <i>(in million Baht)</i>	Other	
<i>Cost/revaluation</i>				
At 1 January 2012	1,278	-	4	1,282
Additions	321	-	-	321
Disposals	(12)	-	-	(12)
Currency translation differences	(1)	-	-	(1)
At 31 December 2012 and 1 January 2013	1,586	-	4	1,590
Acquired through business combinations	225	32,106	246	32,577
Additions	479	-	-	479
Transfers	(80)	-	-	(80)
Disposals	(5)	-	-	(5)
Currency translation differences	(4)	-	-	(4)
At 31 December 2013	2,201	32,106	250	34,557
<i>Accumulated amortisation</i>				
At 1 January 2012	(597)	-	(1)	(598)
Amortisation charge for the year	(108)	-	-	(108)
Disposals	12	-	-	12
At 31 December 2012 and 1 January 2013	(693)	-	(1)	(694)
Amortisation charge for the year	(155)	-	(7)	(162)
Acquired through business combinations	(156)	-	-	(156)
Disposals	1	-	-	1
At 31 December 2013	(1,003)	-	(8)	(1,011)
<i>Net book value</i>				
At 1 January 2012	681	-	3	684
At 31 December 2012 and 1 January 2013	893	-	3	896
At 31 December 2013	1,198	32,106	242	33,546



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Separate Financial statements
	Computer software in use and under development <i>(in million Baht)</i>
Cost	
At 1 January 2012	901
Additions	205
Disposals	(13)
At 31 December 2012 and 1 January 2013	1,093
Additions	147
Disposals	(1)
At 31 December 2013	1,239
Accumulated amortisation	
At 1 January 2012	(451)
Amortisation charge for the year	(71)
Disposals	12
At 31 December 2012 and 1 January 2013	(510)
Amortisation charge for the year	(96)
Disposals	1
At 31 December 2013	(605)
Net book value	
At 1 January 2012	450
At 31 December 2012 and 1 January 2013	583
At 31 December 2013	634

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 2013 amounted to Baht 697 million (2012: Baht 493 million) in the consolidated financial statements and Baht 556 million (2012: Baht 471 million) in the separate financial statements, respectively.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

17 Deferred income tax

Deferred tax assets and liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Deferred tax assets	547	370	257	269
Deferred tax liabilities	(203)	(1)	(202)	-
Net deferred tax assets	344	369	55	269



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 2013 and 2012 were as follows:

	Consolidated financial statements						
	At 1 January 2013 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2013 (restated)	(Charged)/ credited to profit or loss (Note 3-4) (in million Baht)	December 2013 before include the acquired through business combinations	Acquired through business combinations (Note 5)	At 31 December 2013
Deferred tax assets (liabilities)							
Trade accounts receivable	-	4	4	(1)	3	1	4
Inventories	-	105	105	(21)	84	72	156
Property, plant and equipment	-	25	25	(9)	16	52	68
Other current liabilities	-	-	-	(203)	(203)	-	(203)
Employee benefit obligations	-	181	181	39	220	61	281
Tax losses	-	41	41	(30)	11	-	11
Other	-	13	13	1	14	13	27
Net	-	369	369	(224)	145	199	344



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Notes to the financial statements

	Consolidated financial statements				
	At 1 January 2012 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2012 (restated) <i>(in million Baht)</i>	(Charged)/ credited to profit or loss (Note 34)	At 31 December 2012
Deferred tax assets					
Trade accounts receivable	-	4	4	-	4
Inventories	-	96	96	9	105
Property, plant and equipment	-	25	25	-	25
Employee benefit obligations	-	146	146	35	181
Tax losses	-	71	71	(30)	41
Other	-	10	10	3	13
Net	-	352	352	17	369
	Separate financial statements				
	At 1 January 2013 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2013 (restated) <i>(in million Baht)</i>	(Charged)/ credited to profit or loss (Note 34)	At 31 December 2013
Deferred tax assets (liabilities)					
Trade accounts receivable	-	1	1	-	1
Inventories	-	100	100	(36)	64
Property, plant and equipment	-	24	24	-	24
Other current liabilities	-	-	-	(202)	(202)
Employee benefit obligations	-	141	141	23	164
Other	-	3	3	1	4
Net	-	269	269	(214)	55



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

	Separate financial statements				At 31 December 2012
	At 1 January 2012 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2012 (restated)	(Charged)/ credited to profit or loss (Note 34)	
			<i>(in million Baht)</i>		
<i>Deferred tax assets</i>					
Trade accounts receivable	-	2	2	(1)	1
Inventories	-	88	88	12	100
Property, plant and equipment	-	24	24	-	24
Employee benefit obligations	-	122	122	19	141
Other	-	-	-	3	3
Total	-	236	236	33	269

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Prepaid rental and service fees	866	687	1,070	983
Guarantee deposit	732	584	726	579
Other	17	5	2	2
Total	1,615	1,276	1,798	1,564



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

19 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Current					
Short-term borrowings from financial institutions					
Liabilities under trust receipts					
- unsecured		106	-	-	-
Promissory notes - unsecured		5,060	-	2,000	-
Short-term borrowings					
- secured		129,977	-	129,977	-
Total		135,143	-	131,977	-
Short-term borrowing from subsidiary - unsecured	6	-	-	2,359	-
Total		-	-	2,359	-
Current portion of liabilities under finance leases		28	-	-	-
Total		28	-	-	-
Total current		135,171	-	134,336	-
Non-current					
Debentures		50,000	-	50,000	-
Liabilities under finance leases		165	-	-	-
Total non-current		50,165	-	50,000	-
Grand total		185,336	-	184,336	-



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The currency denomination of interest-bearing liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	55,359	-	52,000	-
United States Dollars	129,977	-	132,336	-
Total	185,336	-	184,336	-

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2013 and 2012 were as follow:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Within one year	135,143	-	134,336	-
After one year but within five years	24,088	-	24,088	-
After five years	25,912	-	25,912	-
Total	185,143	-	184,336	-

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
At 1 January		-	2,173	-	-
Increases		199,013	-	197,951	-
Acquired through business combinations	5	2,104	-	-	-
Decreases		(67,970)	(2,173)	(67,970)	-
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United States Dollars to Thai Baht		1,996	-	1,996	-
At 31 December		135,143	-	131,977	-



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Notes to the financial statements

As at 31 December 2013 the Group had liabilities under trust receipts with local financial institutions which bear interest rates ranging from 2.95% to 3.11% per annum (2012: *nil*).

As at 31 December 2013 the Group had promissory notes issued to local financial institutions denominated in Thai Baht which bear interest rates ranging from 2.78% to 3.53% per annum and mature within December 2014 (2012: *nil*).

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 must pledge shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, which were obtained from business combinations 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 unutilised credit facilities totaling USD 227 million.

As at 31 December 2013 the Company pledged shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, which were obtained from business combinations through the shares acquisition on 26 June 2013 and the tender offer with the acquired price totaling Baht 195,671 million.

Debentures

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

- 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)” updated by Fitch Ratings (Thailand) Limited on 24 October 2013 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013.

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.

Finance lease liabilities

Details of finance leases liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements					
	2013			2012		
	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	44	(16)	28	-	-	-
After one year but within 5 years	147	(42)	105	-	-	-
After 5 years	71	(11)	60	-	-	-
Total	262	(69)	193	-	-	-

As at 31 December 2013 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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Unutilised credit facilities

As at 31 December 2013 the Group had unutilised credit facilities totaling Baht 957 million (2012: Baht 432 million)

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	5,069	4,408	3,974	3,830
Other parties		49,665	28,172	23,644	21,910
Total		54,734	32,580	27,618	25,740

The currency denomination of trade accounts payable as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	54,378	32,531	27,618	25,740
United States Dollars	299	21	-	-
Australian Dollars	26	-	-	-
Pound Sterling	14	-	-	-
Euro	12	20	-	-
Yen	5	8	-	-
Total	54,734	32,580	27,618	25,740

21 Other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	28	37	8,933	6,895
Other parties		2,948	1,738	1,480	1,096
Total		2,976	1,775	10,413	7,991



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Notes to the financial statements

The currency denomination of other accounts payable as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	2,960	1,730	10,413	7,991
Yen	14	42	-	-
Euro	1	3	-	-
United States Dollars	1	-	-	-
Total	2,976	1,775	10,413	7,991

22 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Accrued personnel expenses	2,169	1,849	1,253	1,600
Accrued royalties and other accrued expenses	1,332	1,126	454	725
Deferred royalties income	859	895	859	895
Accrued advertising and sale promotion expenses	751	439	656	405
Accrued utilities expenses	531	386	391	360
Accrued interest expense	505	-	507	-
Advance receipts from customers	390	253	-	-
Accrued rental fees	125	138	125	137
Other	621	378	294	280
Total	7,283	5,464	4,539	4,402

The currency denomination of other current liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	7,182	5,462	4,444	4,402
United States Dollars	95	-	95	-
China Renminbi	6	2	-	-
Total	7,283	5,464	4,539	4,402



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Statement of financial position obligations for:				
Severance pay for employees	1,486	955	819	704
Total	1,486	955	819	704
Year ended 31 December				
Statement of income				
Recognised in profit or loss:				
Severance pay for employees	239	232	121	124
Total	239	232	121	124

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Unrecognised transitional obligation as at 1 January	114	152	41	54
Recognised through profit or loss for the year	(38)	(38)	(13)	(13)
Unrecognised transitional obligation as at 31 December	76	114	28	41



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Notes to the financial statements

Movements in the present value of the defined benefit obligations

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Defined benefit obligations at 1 January		955	758	704	612
Benefits paid by the plan		(14)	(35)	(7)	(32)
Transitional obligation recognised		38	38	13	13
Current service costs and interest		179	194	104	111
Defined benefit plan actuarial losses		22	-	4	-
Acquired through business combinations	5	304	-	-	-
Transfer employee benefits obligations from related companies		2	-	1	-
Defined benefit obligations at 31 December		1,486	955	819	704

Actuarial losses recognised in the statement of income for the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Recognised during the year	22	-	4	-
At 31 December	22	-	4	-

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

	Consolidated/Separate financial statements	
	2013	2012
Discount rate (%)	4.10	4.16
Retirement age (<i>year</i>)	55 and 60	55 and 60



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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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Guarantee deposits payable to franchisees	2,599	2,369	2,497	2,263
Other accrued guarantee deposits	575	463	561	453
Total	3,174	2,832	3,058	2,716

25 Share capital

	Par value per share (in Baht)	Consolidated financial statements/ Separate financial statements			
		2013		2012	
		Number of shares	Baht (in million)	Number of shares	Baht
Authorised					
At 1 January					
- ordinary shares	1	8,986	8,986	4,500	4,500
Reduction of shares	1	-	-	(7)	(7)
Issue of shares	1	-	-	4,493	4,493
At 31 December					
- ordinary shares	1	8,986	8,986	8,986	8,986
Issued and paid-up					
At 1 January					
- ordinary shares	1	8,983	8,983	4,493	4,493
Issue of shares	1	-	-	4,490	4,490
At 31 December					
- ordinary shares	1	8,983	8,983	8,983	8,983



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Notes to the financial statements

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

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

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

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

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 three 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 2013 and 2012.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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 2013 and 2012 were as follows:

Business segment results

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from sale of goods and rendering of services	201,669	184,799	66,343	-	19,496	16,812	(15,222)	(12,909)	272,286	188,702
Interest income	373	569	27	-	128	165	(50)	(6)	478	728
Dividend income	3,495	504	-	-	-	-	(3,495)	(500)	-	4
Net foreign exchange gain	-	22	-	-	-	17	-	-	-	39
Other income	11,958	8,801	356	-	453	251	(861)	(709)	11,906	8,343
Total revenues	217,495	194,695	66,726	-	20,077	17,245	(19,628)	(14,124)	284,670	197,816
Cost of sale of goods and rendering of services	148,728	138,033	59,363	-	14,959	12,750	(12,393)	(10,692)	210,657	140,091
Selling expenses	43,345	36,306	3,431	-	1,478	1,366	(1,850)	(1,411)	46,404	36,261
Administrative expenses	10,987	7,699	991	-	1,552	1,292	(1,625)	(1,515)	11,905	7,476
Net foreign exchange loss	607	-	-	-	(37)	-	-	-	570	-
Finance costs	2,179	-	38	-	10	6	(13)	(6)	2,214	-
Total expenses	205,846	182,038	63,823	-	17,962	15,414	(15,881)	(13,624)	271,750	183,828
Profit before income tax expense	11,649	12,657	2,903	-	2,115	1,831	(3,747)	(500)	12,920	13,988



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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Cash and cash equivalents	15,642	19,368	5,011	-	3,979	3,717	-	-	24,632	23,085
Current investments	-	8,327	-	-	1,050	3,644	-	-	1,050	11,971
Trade accounts receivable	119	101	278	-	3,144	5,904	(2,693)	(5,464)	848	541
Other accounts receivable	1,980	1,683	27	-	6,767	1,707	(7,198)	(2,042)	1,576	1,348
Inventories	9,219	8,286	9,792	-	927	881	(22)	(19)	19,916	9,148
Investment in subsidiaries	202,208	6,524	-	-	6,861	773	(209,069)	(7,297)	-	-
Other long-term investments	101	2,191	-	-	-	-	-	-	101	2,191
Investment properties	-	-	333	-	-	-	-	-	333	-
Property, plant and equipment	18,343	13,711	46,882	-	6,195	4,407	(147)	(24)	71,273	18,094
Goodwill	-	-	125,377	-	137	137	-	-	125,514	137
Leasehold rights	382	325	1,601	-	-	-	(30)	-	1,953	325
Other intangible assets	634	583	32,692	-	306	396	(86)	(83)	33,546	896
Deferred tax assets	55	269	207	-	82	100	-	-	344	369
Other assets	7,446	4,481	1,341	-	3,483	387	(4,691)	(805)	7,579	4,063
Total assets	256,129	65,849	223,541	-	32,931	22,053	(223,936)	(15,734)	288,665	72,168

(in million Baht)



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Notes to the financial statements

Business segment financial position

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Overdrafts and short-term borrowings from financial institutions	131,977	-	3,166	-	-	-	-	-	135,143	-
Trade accounts payable	27,618	25,740	18,177	-	9,623	7,419	(684)	(579)	54,734	32,580
Other accounts payable	10,413	7,991	1,107	-	743	747	(9,286)	(6,963)	2,977	1,775
Debtentures	50,000	-	-	-	-	-	-	-	50,000	-
Accrued guarantee deposits	3,058	2,716	-	-	202	429	(86)	(313)	3,174	2,832
Other liabilities	7,716	6,230	2,633	-	3,743	1,943	(4,462)	(548)	9,630	7,625
Total liabilities	230,782	42,677	25,083	-	14,311	10,538	(14,518)	(8,403)	255,658	44,812
Capital expenditure	8,297	5,529	2,053	-	2,435	1,806	(247)	(180)	12,538	7,155
Depreciation	3,207	2,806	715	-	584	539	(188)	(172)	4,318	3,173
Amortisation - leasehold rights	98	87	48	-	-	-	-	-	146	87
Amortisation - other intangible assets	96	71	28	-	54	50	(16)	(13)	162	108
(Gain) loss on disposal and write-off of property, plant and equipment	93	154	16	-	1	(3)	-	-	110	151
Gain on leasehold rights	(8)	(7)	-	-	-	-	-	-	(8)	(7)



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Geographic and business segment results

	Thailand		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>							
Revenue from sale of goods and rendering of services from external customers	272,230	188,702	103	-	(47)	-	272,286	188,702
Segment assets	283,714	67,625	5,008	4,543	(57)	-	288,665	72,168
Property, plant and equipment	71,260	18,085	13	9	-	-	71,273	18,094





CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

28 Other income

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Sale promotion income	6,550	4,526	6,550	4,526
Income on royalties and other fees relating to licenses income	1,285	1,049	1,285	1,049
Other	4,000	2,768	4,123	3,226
Total	11,835	8,343	11,958	8,801

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Convenience store management fees	11,924	10,004	11,924	10,004
Employee benefit expenses	9,582	7,173	8,270	6,851
Advertising and sale promotion expenses	6,730	4,706	6,532	4,781
Utilities expenses	4,879	3,821	4,432	3,801
Rental fees	3,835	3,359	3,788	3,350
Depreciation and amortisation	3,209	2,273	2,740	2,417
Other	6,246	4,925	5,659	5,102
Total	46,405	36,261	43,345	36,306



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Employee benefit expenses	5,570	4,636	4,547	4,483
Rental fees	1,084	746	1,055	738
Depreciation and amortisation	605	385	361	310
Utilities expenses	239	189	169	152
Other	4,407	1,519	4,855	2,016
Total	11,905	7,475	10,987	7,699

31 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Salaries, wages and bonus	17,993	14,167	12,996	11,294
Staff welfares	587	529	317	306
Contribution to social security fund	346	246	261	201
Contribution to provident fund	159	106	104	87
Training expenses	49	35	664	614
Other	117	123	32	29
Total	19,251	15,206	14,374	12,531

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.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

32 Expenses by nature

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Changes in inventories of finished goods and work in progress		(3,102)	(538)	(757)	(447)
Purchase of finished goods		198,335	127,854	144,942	134,954
Raw materials and consumables used		5,322	4,635	-	-
Employee benefit expenses	31	19,251	15,206	14,374	12,531
Depreciation	14	4,318	3,173	3,207	2,806
Amortisation - leasehold rights		146	87	98	87
Amortisation - other intangible assets	16	162	108	96	71
Rental fees		5,055	4,227	4,941	4,170
Utilities expenses		5,509	4,320	4,702	4,021
Advertising and sale promotion expenses		6,792	4,713	6,532	4,781
Convenience store management fees		11,924	10,004	11,924	10,004
Other		15,254	10,038	13,001	9,060
Total cost of sales of goods and rendering of services, selling expenses and administrative expenses		268,966	183,827	203,060	182,038

33 Finance costs

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Finance costs paid to:				
Subsidiaries	-	-	3	-
Financial institutions	2,205	-	2,176	-
Other parties under finance lease	9	-	-	-
Total	2,214	-	2,179	-



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

34 Income tax expense

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Current tax					
Current year		2,068	2,930	1,175	2,675
		2,068	2,930	1,175	2,675
Deferred income tax					
Movements in temporary differences		194	(47)	214	(33)
Benefit of tax losses recognised		30	30	-	-
	17	224	(17)	214	(33)
Total		2,292	2,913	1,389	2,642

Reconciliation of effective tax rate

Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other	Total
<i>(in million Baht)</i>				
2013				
Accounting profit before income tax expense	254	12,643	24	12,921
Income tax at the applicable tax rates	-	2,529	-	2,529
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(207)	-	(207)
Benefit of tax losses recognised	-	(30)	-	(30)
Net	-	2,292	-	2,292



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Notes to the financial statements

Applicable tax rate (%)	Consolidated financial statements			
	0%	23%	Other	Total
	<i>(in million Baht)</i>			
2012				
Accounting profit before income tax expense	504	13,366	118	13,988
Income tax at the applicable tax rates	-	3,074	-	3,074
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(131)	-	(131)
Benefit of tax losses recognised	-	(30)	-	(30)
Net	-	2,913	-	2,913

Applicable tax rate (%)	Separate financial statements	
	20% 2013	23% 2012
	<i>(in million Baht)</i>	
Accounting profit before income tax expense	11,649	12,657
Income tax at the applicable tax rates	2,330	2,911
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(941)	(269)
Net	1,389	2,642

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.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's competitiveness.



CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

Revenue from sales of goods under the promoted business of the subsidiary for the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements	
	2013	2012
	<i>(in million Baht)</i>	
Export sales	30	60
Domestic sales	5,808	4,400
Total	<u>5,838</u>	<u>4,460</u>



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Notes to the financial statements

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 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht / million shares)</i>			
Profit for the year attributable to equity holders of the Company	10,537	11,049	10,260	10,015
Weighted average number of ordinary shares outstanding during the year	8,983	8,983	8,983	8,983
Basic earnings per share (<i>in Baht</i>)	1.17	1.23	1.14	1.11

37 Dividends

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 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 2012. The dividends were paid to the Company's shareholders on 20 May 2013.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved the appropriation of 2011 annual cash dividend payment of Baht 1.25 per share for 4,493,148,024 ordinary shares, totaling Baht 5,617 million, and stock dividend payment at a ratio of 1 existing share to 1 stock dividend for 4,493,148,024 ordinary shares, totaling stock dividend of 4,493,148,024 shares, with a par value of Baht 1 per share, totaling Baht 4,493 million (dividend payment rate at 1 Baht per 1 share), from the profit attributable to equity holders of the Company for the year 2011. The cash and stock dividends, totaling Baht 10,110 million, were paid to the Company's shareholders on 18 May 2012 and 21 May 2012 respectively.



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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 managed the interest rate risk of financial assets and financial liabilities by considering fixed and floating rate depend on the market situation.



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Notes to the financial statements

The effective interest rates of financial assets as at 31 December 2013 and 2012 and the periods in which the financial assets mature were as follows:

	Effective interest rate (%)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2013					
Current					
- Debt securities	2.25 - 3.00	1,050	-	-	1,050
Total		1,050	-	-	1,050
Non-current					
- Debt securities	4.38 - 5.90	-	1	100	101
Total		-	1	100	101
2012					
Current					
- Cash at financial institutions					
- time deposits	1.51 - 3.80	10,391	-	-	10,391
- Debt securities	3.00 - 3.30	1,380	-	-	1,380
- Fund managed by financial institution	3.50	200	-	-	200
Total		11,971	-	-	11,971
Non-current					
- Debt securities	2.60 - 5.90	-	2,091	100	2,191
Total		-	2,091	100	2,191



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Notes to the financial statements

	Effective interest rate (%)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in million Baht)	After 5 years	
2013					
Non-current					
- Debt securities	4.38 - 5.90	-	1	100	101
- Long-term loans to subsidiaries	4.75	-	1,600	-	1,600
Total		<u>-</u>	<u>1,601</u>	<u>100</u>	<u>1,701</u>
2012					
Current					
- Cash at financial institutions					
- time deposits	1.51 - 3.80	7,327	-	-	7,327
- Debt securities	3.30	800	-	-	800
- Fund managed by financial institution	3.50	200	-	-	200
Total		<u>8,327</u>	<u>-</u>	<u>-</u>	<u>8,327</u>
Non-current					
- Debt securities	2.60 - 5.90	-	2,091	100	2,191
- Long-term loans to subsidiaries	3.50	-	360	-	360
Total		<u>-</u>	<u>2,451</u>	<u>100</u>	<u>2,551</u>



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Notes to the financial statements

The effective interest rates of interest-bearing liabilities as at 31 December 2013 and 2012 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	
2013					
Current					
- Liabilities under trust receipts	2.95 - 3.11	106	-	-	106
- Promissory notes	2.78 - 3.53	5,060	-	-	5,060
- Short-term borrowings from financial institutions	LIBOR plus addition	129,977	-	-	129,977
- Current portion of liabilities under finance leases	9.00	28	-	-	28
Total		135,171	-	-	135,171
Non-current					
- 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
Total		-	24,295	28,469	52,764
2012					
Non-current					
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	106	2,263	2,369
Total		-	106	2,263	2,369



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	Effective interest rate (%)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in million Baht)	After 5 years	
2013					
Current					
- Promissory notes	3.40	2,000	-	-	2,000
- Short-term borrowings from financial institutions	LIBOR plus addition	129,977	-	-	129,977
- Short-term borrowings from subsidiary	0.25	2,359	-	-	2,359
Total		134,336	-	-	134,336
Non-current					
- Debentures	4.10 - 5.35	-	24,088	25,912	50,000
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	-	2,497	2,497
Total		-	24,088	28,409	52,497
2012					
Non-current					
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	-	2,263	2,263
Total		-	-	2,263	2,263

Foreign currency risk

The Group is exposed to foreign currency risk relating to borrowing from financial institution, borrowing from subsidiary, 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.



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At 31 December 2013 and 2012 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	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Cash and cash equivalents					
Foreign currency	China Renminbi	1,488	792	-	-
	United States Dollars	677	533	237	-
	Vietnamese Dong	5	-	-	-
	Hong Kong Dollars	1	1	-	-
Other investments					
Foreign currency	China Renminbi	-	3,064	-	-
	United States Dollars	-	1,027	-	1,027
Forward currency contracts	United States Dollars	-	1,027	-	1,027
Trade accounts receivable and other accounts receivable					
Foreign currency	United States Dollars	12	3	-	-
	Pound Sterling	2	-	-	-
	China Renminbi	2	-	-	-
	Hong Kong Dollars	-	1	-	-
Other current assets					
Foreign currency	China Renminbi	513	59	-	-
Short-term borrowings from financial institutions					
Foreign currency	United States Dollars	129,977	-	129,977	-
Forward currency contracts - to sell	United States Dollars	122,742	-	122,742	-
Short term borrowings from subsidiary					
Foreign currency	United States Dollars	-	-	2,359	-



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Notes to the financial statements

	Foreign currency	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Trade accounts payable and other accounts payable					
Foreign currency	United States Dollars	300	21	-	-
	Australian Dollars	26	-	-	-
	Yen	19	50	-	-
	Pound Sterling	14	-	-	-
	Euro	13	23	-	-
Forward currency contracts	United States Dollars	40	9	-	-
	Australian Dollars	39	-	-	-
	Pound Sterling	2	-	-	-
	Euro	-	19	-	-
	Yen	-	8	-	-
Other current liabilities					
Foreign currency	United States Dollars	95	-	95	-
	China Renminbi	6	2	-	-
Forward currency contracts - to buy	Euro	136	32	-	-
	Yen	76	252	-	-
	United States Dollars	49	60	-	-
Forward currency contracts - to sell	Euro	37	2	-	-
	United States Dollars	14	4	-	-
	Pound Sterling	9	10	-	-
	Swiss Franc	1	4	-	-

Credit risk

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



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Notes to the financial statements

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

Liquidity risk

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

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 borrowing from financial institution and subsidiary, 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 approximates 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.



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Notes to the financial statements

39 Supplemental disclosures of cash flows information

Property, plant and equipment purchased during the years ended 31 December 2013 and 2012 were detailed as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Increase during the year	14	11,669	6,731	7,996	5,221
Less - payables		(308)	(384)	(274)	(190)
- assets under finance leases		(89)	-	-	-
Purchase and paid by cash		<u>11,272</u>	<u>6,347</u>	<u>7,722</u>	<u>5,031</u>

40 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<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)	2,279	778	-	-
Total	<u>2,279</u>	<u>778</u>	<u>-</u>	<u>-</u>

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Within one year	5,438	4,248	5,124	4,194
After one year but within five years	10,331	7,151	9,248	7,084
After five years	1,622	2	-	-
Total	<u>17,391</u>	<u>11,401</u>	<u>14,372</u>	<u>11,278</u>



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The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 30 years, which will expire between 2014 and 2041.

Other commitments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	472	80	-	-
Total	472	80	-	-

Letter of guarantee

As at 31 December 2013 the Group has commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 838 million and USD 0.3 million (2012 : Baht 645 million and USD 0.3 million)

Significant agreements

As at 31 December 2013 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.



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- (b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damage and/or liability that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposits rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.
- (c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers. Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties 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 11 months, and will expire on various dates until April 2014.
- (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 December 2016. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.



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- (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 December 2016. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary, CP Retailink Co., Ltd. (formerly "Retailink (Thailand) Co., Ltd."), has repair and maintenance management service agreements with local companies, whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the local companies as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

41 Events after the reporting period

- 41.1 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. 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.
- 41.2 At the Board of Directors meeting of a local subsidiary (Siam Makro Public Company Limited) held on 19 February 2014, the subsidiary's Board of Directors has unanimously resolved to propose to the Annual General Shareholders' meeting of the subsidiary for approval the final dividend payment for the year 2013 from net income for the year ended 31 December 2013 of Baht 0.30 per share for 4,800,000,000 ordinary shares, totaling Baht 1,440 million. The declaration of final dividend payment must be approved by the Annual General Shareholders' meeting of the year 2014.



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Notes to the financial statements

42 Thai Financial Reporting Standards not yet adopted

The Group has not adopted the following new and revised Thai Financial Reporting Standards (“TFRS”) that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group’s operation, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follow:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of Financial Statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TIC 15	Operating Leases-Incentive	2014



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TFRS	Topic	Year effective
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management is of the opinion that the adoption of these new and revised TFRS in accordance with the FAP's announcement, for the period from 1 January 2014 will not have a significant impact on the Group's financial statements.





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