

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

Interim financial statements  
for the three-month period ended  
31 March 2014

and

Independent Auditor's Report  
on Review of Interim Financial Information

## **Independent Auditor's Report on Review of Interim Financial Information**

### **To the Board of Directors of CP ALL Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 31 March 2014; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2014; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

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

#### *Conclusion*

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

(Charoen Phosamritlert)  
Certified Public Accountant  
Registration No. 4068

KPMG Phoomchai Audit Ltd.  
Bangkok  
7 May 2014

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

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
<b>Assets</b>	<i>Note</i>	31 March 2014 (Unaudited)	31 December 2013	31 March 2014 (Unaudited)	31 December 2013
<i>(in thousand Baht)</i>					
<b><i>Current assets</i></b>					
Cash and cash equivalents		20,673,111	24,632,253	13,215,211	15,642,314
Current investments		1,050,000	1,050,000	-	-
Trade accounts receivable	5, 6	687,729	848,215	114,132	119,444
Other accounts receivable	5	1,429,781	1,576,451	1,732,668	1,980,311
Inventories	5	19,923,819	19,915,860	9,231,752	9,219,368
Other current assets	5	5,958,583	5,939,798	3,854,663	4,024,187
<b>Total current assets</b>		<b>49,723,023</b>	<b>53,962,577</b>	<b>28,148,426</b>	<b>30,985,624</b>
<b><i>Non-current assets</i></b>					
Investments in subsidiaries	7	-	-	202,237,832	202,207,832
Investment in related company		24,000	24,000	24,000	24,000
Other long-term investments		101,112	101,112	100,700	100,700
Long-term loans to subsidiary	5	-	-	1,800,000	1,600,000
Investment properties		333,200	333,200	-	-
Property, plant and equipment	5, 8	73,592,405	71,272,531	19,271,234	18,342,901
Goodwill		126,072,806	125,514,461	-	-
Leasehold rights		2,042,977	1,952,614	360,889	381,944
Other intangible assets	5	48,363,415	33,545,827	620,957	633,987
Deferred tax assets	9	546,299	344,286	257,193	54,539
Other non-current assets	5	2,016,502	1,614,873	1,829,813	1,797,633
<b>Total non-current assets</b>		<b>253,092,716</b>	<b>234,702,904</b>	<b>226,502,618</b>	<b>225,143,536</b>
<b>Total assets</b>		<b>302,815,739</b>	<b>288,665,481</b>	<b>254,651,044</b>	<b>256,129,160</b>

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

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2014 (Unaudited)	31 December 2013	31 March 2014 (Unaudited)	31 December 2013
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Overdrafts and short-term borrowings from financial institutions	10	3,228,136	135,143,341	-	131,976,631
Trade accounts payable	5	49,618,679	54,734,078	26,855,181	27,618,149
Other accounts payable	5	2,458,375	2,976,465	6,936,132	10,412,533
Short-term borrowing from subsidiary	5, 10	-	-	2,332,828	2,359,177
Current portion of finance lease liabilities	10	33,019	27,870	-	-
Income tax payable		1,053,274	633,641	74,921	-
Other current liabilities		7,010,023	7,282,882	3,993,609	4,538,996
<b>Total current liabilities</b>		<b>63,401,506</b>	<b>200,798,277</b>	<b>40,192,671</b>	<b>176,905,486</b>
<b>Non-current liabilities</b>					
Debentures	10	90,000,000	50,000,000	90,000,000	50,000,000
Long-term borrowing from financial institutions	10	93,303,490	-	93,303,490	-
Finance lease liabilities	10	260,406	165,513	-	-
Employee benefit obligations		1,504,691	1,485,752	843,668	818,562
Accrued guarantee deposits		3,294,103	3,174,332	3,178,344	3,057,952
Deferred tax liabilities	9	15,371,752	-	-	-
Other non-current liabilities		33,895	34,181	-	-
<b>Total non-current liabilities</b>		<b>203,768,337</b>	<b>54,859,778</b>	<b>187,325,502</b>	<b>53,876,514</b>
<b>Total liabilities</b>		<b>267,169,843</b>	<b>255,658,055</b>	<b>227,518,173</b>	<b>230,782,000</b>

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

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

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
<b>Liabilities and equity (Continued)</b>	<i>Note</i>	2014	2013	2014	2013
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Equity</b>					
Share capital					
Authorised share capital		8,986,296	8,986,296	8,986,296	8,986,296
Issued and paid-up share capital		8,983,101	8,983,101	8,983,101	8,983,101
Additional paid-in capital					
Premium on ordinary shares		1,684,317	1,684,317	1,684,317	1,684,317
Retained earnings					
Appropriated					
Legal reserve		900,000	900,000	900,000	900,000
Unappropriated		21,202,397	18,497,198	15,565,453	13,779,742
Other components of equity		(1,381,634)	(1,283,669)	-	-
<b>Equity attributable to equity</b>					
<b>holders of the Company</b>		<b>31,388,181</b>	<b>28,780,947</b>	<b>27,132,871</b>	<b>25,347,160</b>
Non-controlling interests		4,257,715	4,226,479	-	-
<b>Total equity</b>		<b>35,645,896</b>	<b>33,007,426</b>	<b>27,132,871</b>	<b>25,347,160</b>
<b>Total liabilities and equity</b>		<b>302,815,739</b>	<b>288,665,481</b>	<b>254,651,044</b>	<b>256,129,160</b>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of income (Unaudited)**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the three-month period ended 31 March		For the three-month period ended 31 March	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Income</b>	5				
Revenue from sale of goods and rendering of services		86,158,017	50,439,114	49,895,288	49,493,042
Interest income		67,618	204,403	50,663	166,909
Dividend income		26	19	589,998	-
Net foreign exchange gain		176,962	3,055	168,799	5,239
Other income		2,923,276	2,258,403	2,980,452	2,378,633
<b>Total income</b>		<b>89,325,899</b>	<b>52,904,994</b>	<b>53,685,200</b>	<b>52,043,823</b>
<b>Expenses</b>	5				
Cost of sale of goods and rendering of services		68,151,816	37,388,877	36,239,015	36,855,970
Selling expenses		12,262,903	9,736,244	10,558,289	9,758,327
Administrative expenses		4,185,904	1,845,280	3,544,096	1,836,455
Finance costs		1,345,661	13	1,315,951	-
<b>Total expenses</b>		<b>85,946,284</b>	<b>48,970,414</b>	<b>51,657,351</b>	<b>48,450,752</b>
<b>Profit before income tax expense</b>		<b>3,379,615</b>	<b>3,934,580</b>	<b>2,027,849</b>	<b>3,593,071</b>
Income tax expense	12	643,191	741,250	242,138	675,054
<b>Profit for the period</b>		<b>2,736,424</b>	<b>3,193,330</b>	<b>1,785,711</b>	<b>2,918,017</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		2,705,199	3,185,739	1,785,711	2,918,017
Non-controlling interests		31,225	7,591	-	-
<b>Profit for the period</b>		<b>2,736,424</b>	<b>3,193,330</b>	<b>1,785,711</b>	<b>2,918,017</b>
<b>Basic earnings per share (Baht)</b>	13	<b>0.30</b>	<b>0.35</b>	<b>0.20</b>	<b>0.32</b>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the three-month period ended 31 March		For the three-month period ended 31 March	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>2,736,424</b>	<b>3,193,330</b>	<b>1,785,711</b>	<b>2,918,017</b>
<b>Other comprehensive income</b>				
Currency translation differences	(97,952)	(189,348)	-	-
<b>Other comprehensive income for the period</b>	<b>(97,952)</b>	<b>(189,348)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b><u>2,638,472</u></b>	<b><u>3,003,982</u></b>	<b><u>1,785,711</u></b>	<b><u>2,918,017</u></b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	2,607,234	2,996,391	1,785,711	2,918,017
Non-controlling interests	31,238	7,591	-	-
<b>Total comprehensive income for the period</b>	<b><u>2,638,472</u></b>	<b><u>3,003,982</u></b>	<b><u>1,785,711</u></b>	<b><u>2,918,017</u></b>

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of changes in equity (Unaudited)

	Consolidated financial statements									
	Retained earnings			Other components of equity				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	attributable to equity holders of the Company	Non-controlling interests	
	<i>(in thousand Baht)</i>									
For the three-month period ended 31 March 2014										
<b>Balance at 1 January 2014</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>18,497,198</b>	<b>(141,083)</b>	<b>(1,142,586)</b>	<b>(1,283,669)</b>	<b>28,780,947</b>	<b>4,226,479</b>	<b>33,007,426</b>
<b>Transactions with equity holders, recorded directly in equity</b>										
<b>Distributions to equity holders</b>										
Dividends	-	-	-	-	-	-	-	-	(2)	(2)
<b>Total transactions with equity holders, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>
<b>Comprehensive income for the period</b>										
Profit	-	-	-	2,705,199	-	-	-	2,705,199	31,225	2,736,424
Other comprehensive income	-	-	-	-	(97,965)	-	(97,965)	(97,965)	13	(97,952)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,705,199</b>	<b>(97,965)</b>	<b>-</b>	<b>(97,965)</b>	<b>2,607,234</b>	<b>31,238</b>	<b>2,638,472</b>
<b>Balance at 31 March 2014</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>21,202,397</b>	<b>(239,048)</b>	<b>(1,142,586)</b>	<b>(1,381,634)</b>	<b>31,388,181</b>	<b>4,257,715</b>	<b>35,645,896</b>

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



**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of changes in equity (Unaudited)**

	<b>Consolidated financial statements</b>							
				Other components				
			Retained earnings	of equity				
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency transaction differences	Equity attributable to equity holders of the Company	Non- controlling interests	Total equity
<i>(in thousand Baht)</i>								
For the three-month period ended 31 March 2013								
<b>Balance at 1 January 2013</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>16,045,000</b>	<b>(511,849)</b>	<b>27,100,569</b>	<b>254,731</b>	<b>27,355,300</b>
<b>Comprehensive income for the period</b>								
Profit	-	-	-	3,185,739	-	3,185,739	7,591	3,193,330
Other comprehensive income	-	-	-	-	(189,348)	(189,348)	-	(189,348)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,185,739</b>	<b>(189,348)</b>	<b>2,996,391</b>	<b>7,591</b>	<b>3,003,982</b>
<b>Balance at 31 March 2013</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>19,230,739</b>	<b>(701,197)</b>	<b>30,096,960</b>	<b>262,322</b>	<b>30,359,282</b>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of changes in equity (Unaudited)**

	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements		Total equity
			Legal reserve	Retained earnings Unappropriated retained earnings	
<i>(in thousand Baht)</i>					
For the three-month period ended 31 March 2014					
<b>Balance at 1 January 2014</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>13,779,742</b>	<b>25,347,160</b>
<b>Comprehensive income for the period</b>					
Profit	-	-	-	1,785,711	1,785,711
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,785,711</b>	<b>1,785,711</b>
<b>Balance at 31 March 2014</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>15,565,453</b>	<b>27,132,871</b>
For the three-month period ended 31 March 2013					
<b>Balance at 1 January 2013</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>11,604,924</b>	<b>23,172,342</b>
<b>Comprehensive income for the period</b>					
Profit	-	-	-	2,918,017	2,918,017
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,918,017</b>	<b>2,918,017</b>
<b>Balance at 31 March 2013</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>14,522,941</b>	<b>26,090,359</b>

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

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the three-month period ended 31 March		For the three-month period ended 31 March	
<i>Note</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	2,736,424	3,193,330	1,785,711	2,918,017
<i>Adjustments for</i>				
Depreciation	1,329,106	837,797	873,691	744,417
Amortisation of leasehold rights	49,893	23,410	24,790	23,410
Amortisation of other intangible assets	106,974	28,568	27,191	19,537
Interest income	(67,618)	(204,403)	(50,663)	(166,909)
Dividend income	(26)	(19)	(589,998)	-
Finance costs	1,345,661	13	1,315,951	-
Income tax expense	643,191	741,250	242,138	675,054
Provision for employees' severance pay	61,508	53,529	30,000	33,000
Allowance (reversal of allowance) for losses on slow-moving inventories	300	1,999	(3,929)	(5,179)
Reversal of impairment losses on property, plant and equipment	(12,213)	-	-	-
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)	(13)	357	-	-
Unrealised gain on exchange	(44,249)	(20,033)	(68,341)	-
Loss on disposal and write-off of property, plant and equipment	3,759	32,945	7,535	32,881
Gain on disposal of leasehold rights	(2,184)	(1,942)	(2,184)	(1,942)
	<u>6,150,513</u>	<u>4,686,801</u>	<u>3,591,892</u>	<u>4,272,286</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	160,499	1,413	5,312	(45,594)
Other accounts receivable	146,601	445,122	247,747	476,855
Inventories	(8,259)	(339,986)	(8,455)	(253,949)
Other current assets	(225,854)	109,905	(22,366)	94,361
Other non-current assets	(474,473)	(35,181)	(32,180)	(35,245)
Trade accounts payable	(5,115,399)	(1,044,407)	(762,968)	(131,136)
Other accounts payable	(447,573)	(152,230)	(3,194,342)	(902,708)
Other current liabilities	(829,107)	(1,452,475)	(1,128,327)	(1,306,178)
Employee benefit obligations paid	(42,569)	(8,819)	(4,894)	(6,768)
Accrued guarantee deposits	119,771	105,627	120,392	105,129
Other non-current liabilities	(286)	(21)	-	-
Cash generated from (used in) operating activities	<u>(566,136)</u>	<u>2,315,749</u>	<u>(1,188,189)</u>	<u>2,267,053</u>
Income tax paid	<u>(237,719)</u>	<u>(135,415)</u>	<u>(130,976)</u>	<u>(111,150)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>(803,855)</b></u>	<u><b>2,180,334</b></u>	<u><b>(1,319,165)</b></u>	<u><b>2,155,903</b></u>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Statement of cash flows (continued) (Unaudited)**

	Note	Consolidated financial statements		Separate financial statements	
		For the three-month period ended 31 March		For the three-month period ended 31 March	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>					
Interest received		59,685	148,729	25,333	112,615
Dividends received		26	19	589,998	-
Purchase of current investments		(440,000)	(3,840,000)	-	(3,300,000)
Sale of current investments		440,000	3,311,859	-	2,857,539
Cash outflow on investments in subsidiaries	7	-	-	(30,000)	-
Cash outflow on long-term loans to subsidiary	5	-	-	(200,000)	(550,000)
Purchase of property, plant and equipment	14	(3,655,617)	(2,213,509)	(2,026,312)	(1,626,754)
Sale of property, plant and equipment		48,700	21,251	35,511	14,259
Purchase of leasehold rights		(165,081)	(34,586)	(25,798)	(34,586)
Sale of leasehold rights		2,467	2,149	2,467	2,149
Purchase of other intangible assets		(66,373)	(33,684)	(71,119)	(109,012)
Sale of other intangible assets		5,059	468	5,059	-
<b>Net cash used in investing activities</b>		<b>(3,771,134)</b>	<b>(2,637,304)</b>	<b>(1,694,861)</b>	<b>(2,633,790)</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(783,741)	(13)	(781,929)	-
Dividends paid to non-controlling interests		(2)	-	-	-
Finance lease payments		(14,805)	-	-	-
Increase in short-term borrowings from financial institutions	10	61,441	22	-	-
Decrease in short-term borrowings from financial institutions	10	(131,976,646)	-	(131,976,631)	-
Proceeds from issue of debentures	10	40,000,000	-	40,000,000	-
Increase in long-term borrowings from financial institutions	10	93,346,925	-	93,346,925	-
<b>Net cash provided by financing activities</b>		<b>633,172</b>	<b>9</b>	<b>588,365</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,941,817)</b>	<b>(456,961)</b>	<b>(2,425,661)</b>	<b>(477,887)</b>
Cash and cash equivalents at beginning of period		24,632,253	23,084,976	15,642,314	19,367,986
Effect of exchange rate changes on balances held in foreign currencies		(17,325)	(58,168)	(1,442)	-
<b>Cash and cash equivalents at end of period</b>		<b>20,673,111</b>	<b>22,569,847</b>	<b>13,215,211</b>	<b>18,890,099</b>

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

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2014 (Unaudited)**

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**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2014 (Unaudited)**

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim financial statements have been prepared from the Thai language interim financial statements, and were approved and authorised for issue by the Board of Directors on 7 May 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 period 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 March 2014 was 7,651 stores (31 December 2013: 7,429 stores).

	31 March 2014	31 December 2013
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,400	3,248
The Company franchises the license to other retailers		
- under management agreements	3,647	3,593
- under sub-license agreements	604	588
<b>Total</b>	<b><u>7,651</u></b>	<b><u>7,429</u></b>

Details of the Company’s subsidiaries as at 31 March 2014 and 31 December 2013 are given in note 7 to the interim financial statements.

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2012) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2013. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2013.

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2013 except that the Group has adopted the new and revised Thai Financial Reporting Standards (“TFRS”) that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company except as disclosed in note 3 to the interim financial statements.

**(b) Functional and presentation currency**

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

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

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2013. Changes principally derive from the adoption of new and revised TFRS from 1 January 2014.

**Estimates**

*Measurement of defined benefit obligations*

The calculation of the defined benefit obligation is sensitive to the assumptions on mortality rate, interest rate of long term government bond, resignation rate and salary increasing rate.

**3 Changes in accounting policies**

**(a) Overview**

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

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

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

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

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

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

Management has reviewed and determined that the adoption of TFRIC 4 has not any impact on the accounting policies, financial position or performance of the Group.

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

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

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

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

Management has reviewed and determined that the adoption of TFRIC 13 has not any significant impact on the accounting policies, financial position or performance of the Group.

**4 Business combinations - buy shares**

As at 31 March 2014 the Company had shares holding in OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited ("Makro") by the followings: (a) buying from SHV Nederland B.V. on 26 June 2013; (b) tender offering of Makro shares which was completed on 5 August 2013; and (c) investing in Makro before business combinations.

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
OHT Co., Ltd.						
- Ordinary shares	61,250	90.57	-	-	61,250	90.57
- Preferred shares <sup>(1)</sup>	63,748	9.42	-	-	63,748	9.42
<b>Total</b>	<b>124,998</b>	<b>99.99</b>	<b>-</b>	<b>-</b>	<b>124,998</b>	<b>99.99</b>



**CP ALL Public Company Limited and its Subsidiaries**  
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**For the three-month period ended 31 March 2014 (Unaudited)**

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
Siam Makro Holding (Thailand) Ltd.						
- Ordinary shares	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
<b>Total</b>	<b>5,223,479</b>	<b>49.00</b>	<b>5,436,520</b>	<b>50.99</b>	<b>10,659,999</b>	<b>99.99</b>
Siam Makro Public Company Limited						
- Ordinary shares	2,057,846,700	42.87	2,640,302,800	55.01	4,698,149,500	97.88
<b>Total</b>	<b>2,057,846,700</b>	<b>42.87</b>	<b>2,640,302,800</b>	<b>55.01</b>	<b>4,698,149,500</b>	<b>97.88</b>

<sup>(1)</sup> 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.

In the third quarter of 2013 the Company engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. The Company received the appraisal reports dated 23 April 2014 from the independent appraiser. 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.

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

*Consideration transferred*

(in million Baht)

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

*Identifiable assets acquired and liabilities assumed*

**Fair Value**  
(in million Baht)

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	46,072
Other intangible assets	1,207

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2014 (Unaudited)**

	<b>Fair Value</b> <i>(in million Baht)</i>
Deferred tax assets	199
Other non-current assets	18
Short-term borrowings from financial institutions	(2,104)
Trade accounts payable	(13,879)
Other current liabilities	(2,525)
Employee benefit obligations	(304)
Deferred tax liabilities	(15,417)
Other non-current liabilities	(127)
<b>Net assets</b>	<b>72,596</b>
Non-controlling interests of the acquiree (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	125,936
<b>Consideration transferred</b>	<b>192,420</b>

For the preparation of the consolidated interim financial statements for the three-month period ended 31 March 2014, 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 125,936 million by considering the information from the appraisal reports dated 23 April 2014 of the independent appraiser and other current relevant factors which may affect such information.

## 5 Related parties

For the purposes of these interim 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 7 to the interim financial statements. Relationships with key management and other related parties were as follows:

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

**CP ALL Public Company Limited and its Subsidiaries**  
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<b>Name of parties</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CPF IT Center Co.,Ltd	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CP-Meiji Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Consumer Products Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Merchandising Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Universal Convergence Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Internet Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CP Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Digital Content and Media Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Lifestyle Retail 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. Food Store Co., Ltd.	Thailand	1 of the Company's director is a major shareholder
Dees Supreme Co., Ltd.	Thailand	1 of the Company's director is a major shareholder
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group

**CP ALL Public Company Limited and its Subsidiaries**  
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The pricing policies for particular types of transactions are explained further below:

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

Significant transactions for the three-month periods ended 31 March 2014 and 2013 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
<i>For the three-month period ended 31 March</i>				
		<i>(in million Baht)</i>		
<b>Ultimate parent company</b>				
Administrative expenses	2	2	2	2
<b>Subsidiaries</b>				
Revenue from sale of goods and rendering of services	-	-	172	113
Interest income	-	-	20	5
Dividend Income	-	-	590	-
Other income	-	-	244	157
Selling expenses	-	-	228	276
Administrative expenses	-	-	355	304
Purchases of goods and services	-	-	3,040	2,270
Purchases of property, plant and equipment	-	-	450	352
Interest expense	-	-	1	-
<b>Related companies</b>				
Revenue from sale of goods and rendering of services	357	339	170	155
Other income	209	65	208	63
Selling expenses	2	32	-	-
Administrative expenses	103	74	80	71
Purchases of goods and services	6,142	5,133	5,431	4,748
Purchase of other intangible assets	1	-	-	-

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2014 (Unaudited)**

<i>For the three-month period ended</i> <b>31 March</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Key management personnel</b>				
Key management benefit expenses				
Short-term employee benefit	141	89	89	89
Severance pay for employees	7	2	4	2
<b>Total key management benefit expenses</b>	<b>148</b>	<b>91</b>	<b>93</b>	<b>91</b>

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

**Trade accounts receivable**

	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Related companies	111	76	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
<b>Net</b>	<b>109</b>	<b>74</b>	<b>-</b>	<b>-</b>

	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Bad and doubtful debts expense for the three-month period ended 31 March</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>

**Other accounts receivable**

	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	399	448
Related companies	325	270	323	268
<b>Total</b>	<b>325</b>	<b>270</b>	<b>722</b>	<b>716</b>

	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Bad and doubtful debts expense for the three-month period ended 31 March</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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*Long-term loans to subsidiary*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
CPRAM Co., Ltd.	-	-	1,800	1,600
<b>Total</b>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>1,600</u>

Movements during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	1,600	360
Increases	-	-	200	550
<b>At 31 March</b>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>910</u>
<b>At 31 December</b>		<u>-</u>		<u>1,600</u>

As at 31 March 2014 the balance of long-term loans to a subsidiary was unsecured and without a fixed repayment term within one year; and the interest rate was fixed at 4.75% per annum (*31 December 2013: interest rate at 4.75% per annum*).

*Prepaid rental and service fees*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	246	254
<b>Total</b>	<u>-</u>	<u>-</u>	<u>276</u>	<u>284</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).

**CP ALL Public Company Limited and its Subsidiaries**  
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*Trade accounts payable*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	947	260
Related companies	4,616	5,069	3,663	3,714
<b>Total</b>	<b>4,616</b>	<b>5,069</b>	<b>4,610</b>	<b>3,974</b>

*Other accounts payable*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	5,948	8,923
Related companies	64	28	16	10
<b>Total</b>	<b>64</b>	<b>28</b>	<b>5,964</b>	<b>8,933</b>

*Short-term borrowing from subsidiary*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Lotus Distribution Investment Limited	-	-	2,333	2,359
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,333</b>	<b>2,359</b>

Movements during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	2,359	-
Unrealised gain on exchange rate from translation of outstanding borrowing balance of United State Dollars to Thai Baht	-	-	(26)	-
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>2,333</b>	<b>-</b>
<b>At 31 December</b>		<b>-</b>		<b>2,359</b>

As at 31 March 2014 the balance of short-term borrowing from a subsidiary was denominated in United State Dollars, unsecured and fixed repayment term (within August 2014); and the interest rate was fixed at 0.25% per annum (31 December 2013: interest rate at 0.25% per annum).

**CP ALL Public Company Limited and its Subsidiaries**  
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*Significant agreements with related parties*

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

- (a) The Company has a service agreement with Charoen Pokphand Group Company Limited, the ultimate parent company, covering technical advisory, management, technical assistances and right to use the trademark and services of the ultimate parent company for a period of 1 year ending in December 2014. In consideration thereof, the Company agrees to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.
- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company 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. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (d) The Company has 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., 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 the related company's 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.



**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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- (h) The Company and its certain local subsidiaries have information system service agreements with Gosoft (Thailand) Co., Ltd., a local subsidiary (“the service provider”). Under the terms of the agreements, the service provider 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. In consideration thereof, the Company and the subsidiaries agree to pay a service fee to the service provider at the amount stipulated in the agreements. These agreements are effective for a period of 1 year, and will expire in December 2014. 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 to the Company 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 to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.

**6 Trade accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014	31 December 2013	31 March 2014	31 December 2013
		<i>(in million Baht)</i>			
Related parties	5	111	76	-	-
Other parties		606	801	114	119
<b>Total</b>		<b>717</b>	<b>877</b>	<b>114</b>	<b>119</b>
Less allowance for doubtful accounts		(29)	(29)	-	-
<b>Net</b>		<b>688</b>	<b>848</b>	<b>114</b>	<b>119</b>

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Bad and doubtful debts expense for the three-month period ended 31 March</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CP ALL Public Company Limited and its Subsidiaries**  
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Aging analyses for trade accounts receivable are as follows:

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014	31 December 2013	31 March 2014	31 December 2013
<i>(in million Baht)</i>					
<b>Related parties</b>					
Within credit terms		63	42	-	-
Overdue:					
Less than 3 months		47	33	-	-
3 - 6 months		1	1	-	-
<b>Total</b>		<b>111</b>	<b>76</b>	<b>-</b>	<b>-</b>
Less allowance for doubtful accounts		(2)	(2)	-	-
<b>Net</b>	5	<b>109</b>	<b>74</b>	<b>-</b>	<b>-</b>
<b>Other parties</b>					
Within credit terms		451	594	114	101
Overdue:					
Less than 3 months		115	176	-	18
3 - 6 months		15	1	-	-
6 - 12 months		2	7	-	-
Over 12 months		23	23	-	-
<b>Total</b>		<b>606</b>	<b>801</b>	<b>114</b>	<b>119</b>
Less allowance for doubtful accounts		(27)	(27)	-	-
<b>Net</b>		<b>579</b>	<b>774</b>	<b>114</b>	<b>119</b>
<b>Grand total</b>		<b>688</b>	<b>848</b>	<b>114</b>	<b>119</b>

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

## 7 Investments in subsidiaries

Movements during the three-month periods ended 31 March 2014 and 2013 were as follows:

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

Details of the increases in investments in subsidiaries during the three-month periods ended 31 March 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in million Baht)</i>				
24 Shopping Co., Ltd.	-	-	30	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>

**CP ALL Public Company Limited and its Subsidiaries**  
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Investments in subsidiaries as at 31 March 2014 and 31 December 2013, and dividend income for the three-month periods ended 31 March 2014 and 2013 were as follows:

Name of parties	Type of business	Country of incorporation	Separate financial statements						Dividend income for the three-month period ended	
			Ownership interest		Paid-up capital		At cost		31 March 2014	31 March 2013
			31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 March 2013
			(%)				(in million Baht)			
<b>Local direct subsidiaries</b>										
Suksapiwat Co., Ltd.	Educational institution	Thailand	99.99	99.99	810	810	810	810	-	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	Bill payment services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	70	70	61	61	490	-
CP Retailink Co.,Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	-	-
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	-	-

**CP ALL Public Company Limited and its Subsidiaries**  
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**Separate financial statements (Continued)**

Name of parties	Type of business	Country of incorporation	Ownership interest		Paid-up capital		At cost		Dividend income for the three-month period ended	
			31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 March 2013
			(%)				<i>(in million Baht)</i>			
All Corporation Limited	Holding company	Thailand	99.99	99.99	13	13	13	13	-	-
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	-	-
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	30	-
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	70	-
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	-	-
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	-	30	-	30	-	-	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	-	-
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	2,400	82,427	82,427	-	-
<b>Total</b>							<b>198,381</b>	<b>198,351</b>	<b>590</b>	<b>-</b>

**CP ALL Public Company Limited and its Subsidiaries**  
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**Separate financial statements (Continued)**

Name of parties	Type of business	Country of incorporation	Ownership interest		Paid-up capital		At cost		Dividend income for the three-month period ended	
			31	31	31	31	31	31	31	31
			March	December	March	December	March	December	March	March
			2014	2013	2014	2013	2014	2013	2014	2013
			(%)		(in million US\$)		(in million Baht)			
<b>Foreign direct subsidiaries</b>										
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	116	116	3,857	3,857	-	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	-*	-*	-*	-*	-	-
<b>Total</b>							<b>3,857</b>	<b>3,857</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>							<b>202,238</b>	<b>202,208</b>	<b>590</b>	<b>-</b>

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

Name of parties	Type of business	Country of incorporation	Ownership interest	
			31 March 2014	31 December 2013
			(%)	
<b><i>Foreign indirect subsidiaries</i></b>				
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People's Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People's Republic of China	100.00	100.00
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	97.88	97.88
<b><i>Local indirect subsidiaries</i></b>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technology College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	97.88
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01

**CP ALL Public Company Limited and its Subsidiaries**  
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**8 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>			
	2014		2013	
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value <i>(in million Baht)</i>	Acquisition and transfers in - at cost	Disposals and transfers out - net book value
Land	728	-	48	-
Buildings, building and leasehold improvements	1,748	15	568	36
Machinery and equipment	832	9	334	1
Furniture, fixtures and office equipment	439	18	231	9
Assets under construction and installation	1,916	2,471	1,861	762
Other	496	8	93	2
<b>Total</b>	<b>6,159</b>	<b>2,521</b>	<b>3,135</b>	<b>810</b>

	<b>Separate financial statements</b>			
	2014		2013	
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value <i>(in million Baht)</i>	Acquisition and transfers in - at cost	Disposals and transfers out - net book value
Land	-	-	48	-
Buildings, building and leasehold improvements	1,465	10	535	36
Machinery and equipment	330	7	240	1
Furniture, fixtures and office equipment	414	18	255	9
Assets under construction and installation	1,160	1,997	1,205	651
Other	473	8	90	2
<b>Total</b>	<b>3,842</b>	<b>2,040</b>	<b>2,373</b>	<b>699</b>

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2014 (Unaudited)**

**9 Deferred income tax**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Deferred tax assets	546	344	257	55
Deferred tax liabilities	<u>(15,372)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net deferred tax assets (liabilities)</b>	<b><u>(14,826)</u></b>	<b><u>344</u></b>	<b><u>257</u></b>	<b><u>55</u></b>

Movements in deferred tax assets (liabilities) during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>			
	<b>At 1 January 2014</b>	<b>(Charged)/ credited to profit or loss</b>	<b>Acquired through business combination</b>	<b>At 31 March 2014</b>
	<i>(in million Baht)</i>			
<b>Deferred tax assets (liabilities)</b>				
Trade accounts receivable	4	-	-	4
Inventories	156	(1)	-	155
Property, plant and equipment	68	2	-	70
Other current liabilities	(203)	203	-	-
Employee benefit obligations	281	5	-	286
Tax losses	11	(4)	-	7
Fair value adjustment assets acquired through business combination	-	45	(15,417)	(15,372)
Other	<u>27</u>	<u>(3)</u>	<u>-</u>	<u>24</u>
<b>Total</b>	<b><u>344</u></b>	<b><u>247</u></b>	<b><u>(15,417)</u></b>	<b><u>(14,826)</u></b>

	<b>Consolidated financial statements</b>		
	<b>At 1 January 2013</b>	<b>(Charged)/ credited to profit or loss</b>	<b>At 31 March 2013</b>
	<i>(in million Baht)</i>		
<b>Deferred tax assets</b>			
Trade accounts receivable	4	-	4
Inventories	105	(1)	104
Property, plant and equipment	25	-	25
Employee benefit obligations	181	6	187
Tax losses	41	(6)	35
Other	<u>13</u>	<u>-</u>	<u>13</u>
<b>Total</b>	<b><u>369</u></b>	<b><u>(1)</u></b>	<b><u>368</u></b>



**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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	<b>Separate financial statements</b>		
	<b>At 1 January 2014</b>	<b>(Charged)/ credited to profit or loss (in million Baht)</b>	<b>At 31 March 2014</b>
<i>Deferred tax assets (liabilities)</i>			
Trade accounts receivable	1	-	1
Inventories	64	-	64
Property, plant and equipment	24	-	24
Other current liabilities	(202)	202	-
Employee benefit obligations	164	4	168
Other	4	(4)	-
<b>Total</b>	<b>55</b>	<b>202</b>	<b>257</b>

	<b>Separate financial statements</b>		
	<b>At 1 January 2013</b>	<b>(Charged)/ credited to profit or loss (in million Baht)</b>	<b>At 31 March 2013</b>
<i>Deferred tax assets</i>			
Trade accounts receivable	1	-	1
Inventories	100	(2)	98
Property, plant and equipment	24	-	24
Employee benefit obligations	141	5	146
Other	3	1	4
<b>Total</b>	<b>269</b>	<b>4</b>	<b>273</b>

**10 Interest-bearing liabilities**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		31 March 2014	31 December 2013	31 March 2014	1 December 2013
<i>(in million Baht)</i>					
<b>Current</b>					
Short-term borrowings from financial institutions					
Liabilities under trust receipts					
- unsecured		69	106	-	-
Promissory notes - unsecured		3,159	5,060	-	2,000
Short-term borrowings - secured		-	129,977	-	129,977
<b>Total</b>		<b>3,228</b>	<b>135,143</b>	<b>-</b>	<b>131,977</b>
Short-term borrowings from subsidiary - unsecured	5	-	-	2,333	2,359
<b>Total</b>		<b>-</b>	<b>-</b>	<b>2,333</b>	<b>2,359</b>
Current portion of finance lease liabilities		33	28	-	-
<b>Total</b>		<b>33</b>	<b>28</b>	<b>-</b>	<b>-</b>
<b>Total current</b>		<b>3,261</b>	<b>135,171</b>	<b>2,333</b>	<b>134,336</b>

**CP ALL Public Company Limited and its Subsidiaries**  
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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Note</i>	31 March 2014	31 December 2013	31 March 2014	1 December 2013
	<i>(in million Baht)</i>			
<b>Non-current</b>				
Debentures	90,000	50,000	90,000	50,000
Long-term borrowings from financial institutions - secured	93,303	-	93,303	-
Finance lease liabilities	261	165	-	-
<b>Total non-current</b>	<b>183,564</b>	<b>50,165</b>	<b>183,303</b>	<b>50,000</b>
<b>Grand total</b>	<b>186,825</b>	<b>185,336</b>	<b>185,636</b>	<b>184,336</b>

**Short-term borrowings from financial institutions**

Movements during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	135,143	-	131,977	-
Increases	62	-	-	-
Decreases	(131,977)	-	(131,977)	-
<b>At 31 March</b>	<b>3,228</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December</b>		<b>135,143</b>		<b>131,977</b>

**Debentures**

Movements during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	50,000	-	50,000	-
Increases	40,000	-	40,000	-
<b>At 31 March</b>	<b>90,000</b>	<b>-</b>	<b>90,000</b>	<b>-</b>
<b>At 31 December</b>		<b>50,000</b>		<b>50,000</b>

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

- Debentures term of 3 years of Baht 3,736 million, fully repayable on 27 March 2017 and bearing interest at the fixed rate of 3.70% per annum.
- Debentures term of 5 years of Baht 11,066 million, fully repayable on 27 March 2019 and bearing interest at the fixed rate of 4.30% per annum.

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- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021 and bearing interest at the fixed rate of 4.85% per annum.
- Debentures term of 10 years of Baht 15,314 million, fully repayable on 27 March 2024 and bearing interest at the fixed rate of 5.14% per annum.

These series of debentures have a credit rating of “A+(tha)” updated by Fitch Ratings (Thailand) Limited on 13 March 2014 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2014.

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

***Long-term borrowings from financial institutions***

Movements during the three-month periods ended 31 March 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	93,347	-	93,347	-
Unrealised gain on exchange rates from translation of outstanding borrowing balances of United State Dollars to Thai Baht	(44)	-	(44)	-
<b>At 31 March</b>	<b>93,303</b>	<b>-</b>	<b>93,303</b>	<b>-</b>
<b>At 31 December</b>		<b>-</b>		<b>-</b>

As at 31 March 2014 the Company had secured long-term borrowing agreements with certain local and foreign financial institutions. Details are as follows:

Borrowing agreement	Approved credit facilities	Interest rate <i>(% per annum)</i>	Term of payment
The first agreement	USD 350 million	Floating interest rate at LIBOR plus agreed applicable margin	One time at maturity date
The second agreement	Baht 81,900 million	Floating interest rate at minimum loan rate (MLR) and BIBOR adjust with agreed applicable margin	Every 3 months for a period of 6 years

The Company drawdown the above long-term borrowing facilities totaling USD 350 million (equivalent to approximately Baht 11,403 million, using exchange rate as at 31 March 2014) and Baht 81,900 million to repayment of short-term borrowings from financial institutions.

**CP ALL Public Company Limited and its Subsidiaries**  
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In this regard, the Company must pledge all shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, as collateral for the long-term borrowings; and must comply with the specified covenants, such as to maintain leverage ratio of the borrowing principal and interest during the borrowing periods, etc.

Fair values of the shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, as at 31 March 2014, totaled Baht 150,341 million.

## **11 Segment information**

Segment information is 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. It is presented in respect of the Group's business and geographical segments. The Group's presented business segment as the primary format.

### ***Business segments***

The Group comprises the following main business segments:

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

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

### ***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**  
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Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2014 and 2013 were as follows:

	For the three-month periods ended 31 March								<b>Total</b>	
	Convenience stores		Cash and carry		Other		Eliminate		<b>2014</b>	<b>2013</b>
	2014	2013	2014	2013	2014	2013	2014	2013	<b>2014</b>	<b>2013</b>
	<i>(in million Baht)</i>									
Segment revenue	49,895	49,493	35,218	-	5,364	4,411	(4,319)	(3,465)	<b>86,158</b>	<b>50,439</b>
Profit before income tax expense for the period	2,028	3,593	1,620	-	490	428	(758)	(86)	<b>3,380</b>	<b>3,935</b>

Assets, based on business segments, in the consolidated financial statements at 31 March 2014 and 31 December 2013 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		<b>Total</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	<b>31 March 2014</b>	<b>31 December 2013</b>
	<i>(in million Baht)</i>									
Segment assets	254,651	256,129	239,272	223,541	30,680	32,931	(221,787)	(223,936)	<b>302,816</b>	<b>288,665</b>

**CP ALL Public Company Limited and its Subsidiaries**  
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**For the three-month period ended 31 March 2014 (Unaudited)**

Revenue and results, based on geographical segments in the consolidated financial statements for the three-month periods ended 31 March 2014 and 2013 were as follows:

	For the three-month periods ended 31 March						<b>Total</b>	
	Thailand		Other		Eliminate		<b>2014</b>	<b>2013</b>
	2014	2013	2014	2013	2014	2013		
	<i>(in million Baht)</i>							
Revenue from sale of goods and rendering of services from external customers	86,124	50,439	62	-	(28)	-	<b>86,158</b>	<b>50,439</b>
Profit before income tax expense for the period	3,405	3,907	(25)	28	-	-	<b>3,380</b>	<b>3,935</b>

## 12 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

## 13 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2014 and 2013 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

<i>For the three-month periods ended 31 March</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht/million shares)</i>			
<b>Profit for the period attributable to equity holders of the Company</b>	<b><u>2,705</u></b>	<b><u>3,186</u></b>	<b><u>1,786</u></b>	<b><u>2,918</u></b>
<b>Weighted average number of ordinary shares outstanding during the period</b>	<b><u>8,983</u></b>	<b><u>8,983</u></b>	<b><u>8,983</u></b>	<b><u>8,983</u></b>
<b>Basic earnings per share (in Baht)</b>	<b><u>0.30</u></b>	<b><u>0.35</u></b>	<b><u>0.20</u></b>	<b><u>0.32</u></b>

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**14 Supplemental disclosures of cash flows information**

Details of property, plant and equipment paid by cash during the three-month periods ended 31 March 2014 and 2013 were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Increase during the period	8	6,159	3,135	3,842	2,373
Less - changes in payables		75	(166)	181	(95)
- assets under finance leases		(109)	-	-	-
- transfers from assets under construction and installation		(2,469)	(755)	(1,997)	(651)
<b>Paid by cash</b>		<b><u>3,656</u></b>	<b><u>2,214</u></b>	<b><u>2,026</u></b>	<b><u>1,627</u></b>

**15 Commitments with non-related parties**

*Capital commitments*

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Contracted but not provided for (construction costs of new plants, installation costs of machinery, and computer system development costs)	1,941	2,279	-	-
<b>Total</b>	<b><u>1,941</u></b>	<b><u>2,279</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

*Non-cancellable operating lease commitments*

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Within one year	5,135	5,438	4,791	5,124
After one year but within five years	10,166	10,331	9,064	9,248
After five years	2,008	1,622	-	-
<b>Total</b>	<b><u>17,309</u></b>	<b><u>17,391</u></b>	<b><u>13,855</u></b>	<b><u>14,372</u></b>

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 to 2044.

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*Other commitments*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	290	472	-	-
<b>Total</b>	<b>290</b>	<b>472</b>	<b>-</b>	<b>-</b>

*Letters of guarantee*

As at 31 March 2014 the Group has commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, lease agreements and others totaling Baht 842 million and USD 0.3 million (31 December 2013: Baht 838 million and USD 0.3 million).

*Significant agreements*

As at 31 March 2014 the Group had the following significant agreements.

- (a) The Company has an area license agreement with 7-Eleven, Inc., which was incorporated in the United States of America, to acquire a license to use the systems and trademarks of 7-Eleven, Inc. in connection with the operations of 7-Eleven convenience stores or franchising of such operations to other retailers in Thailand. The Company has also obtained certain services from 7-Eleven, Inc. in relation to training and technical assistance. In consideration thereof, the Company is committed to pay royalties to 7-Eleven, Inc. calculated as percentages of total sales of the 7-Eleven convenience stores that are operating in Thailand.
- (b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties from those licensees in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damages and/or liabilities 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 sub-area licensees. Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.
- (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 to the local companies as stipulated in the agreements. These agreements are effective for periods over 4 months to 16 months, and will expire on various dates until April 2015.



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- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, etc.), and other local companies (e.g., hire purchase, life insurance premium, etc.). 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 until March 2017. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies (“the parties”), whereby the latter parties are appointed as agents of the subsidiary for receipts of customers’ bills as specified in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates until March 2017. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary, CP Retailink Co., Ltd., has repair and maintenance management service agreements with local companies (“the parties”), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

**16 Event after the reporting period**

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