

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

Interim financial statements
for the three-month period ended
31 March 2016

and

Independent Auditor's Report
on Review of Interim Financial Information



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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 2016; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2016; 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
11 May 2016

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents		21,511,026	21,518,252	12,921,009	15,329,709
Current investments		1,393,350	1,402,447	-	-
Trade accounts receivable	3,4	830,327	854,059	67,194	127,467
Other accounts receivable	3	1,846,451	2,034,188	1,928,666	2,193,375
Short-term loans to subsidiaries	3	-	-	3,600,000	2,900,000
Inventories	3	24,671,548	25,072,218	10,981,003	10,621,746
Other current assets	3	6,087,779	6,091,749	4,351,664	4,278,345
Total current assets		56,340,481	56,972,913	33,849,536	35,450,642
<i>Non-current assets</i>					
Investments in subsidiaries	5	-	-	205,506,615	202,599,631
Investment in related company		24,000	24,000	24,000	24,000
Other long-term investments		412	412	-	-
Investment properties		333,200	333,200	-	-
Property, plant and equipment	3,6	91,367,979	89,447,351	23,047,839	22,440,954
Goodwill		126,072,806	126,072,806	-	-
Leasehold rights		3,326,347	3,283,692	377,740	400,847
Other intangible assets	3	50,110,806	50,156,748	877,594	870,556
Deferred tax assets		741,590	731,395	349,676	346,343
Other non-current assets	3	2,242,996	2,060,421	1,869,855	2,487,031
Total non-current assets		274,220,136	272,110,025	232,053,319	229,169,362
Total assets		330,560,617	329,082,938	265,902,855	264,620,004

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		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current liabilities</i>					
Short-term borrowings from					
financial institutions	7	6,670,771	11,881,373	2,850,000	9,000,000
Trade accounts payable	3	58,512,407	62,623,567	32,214,574	32,807,381
Other accounts payable	3	3,006,523	3,643,053	7,297,242	8,768,756
Current portion of debentures	7	25,427,300	11,841,200	25,427,300	11,841,200
Current portion of finance lease					
liabilities		81,752	80,187	-	-
Income tax payable		1,841,638	1,131,907	763,445	388,373
Other current liabilities		9,618,905	9,929,749	6,120,292	6,508,416
Total current liabilities		105,159,296	101,131,036	74,672,853	69,314,126
<i>Non-current liabilities</i>					
Debentures	7	154,572,700	161,158,800	154,572,700	161,158,800
Long-term borrowings from					
financial institution	7	4,000,000	4,000,000	-	-
Finance lease liabilities		505,429	524,823	-	-
Employee benefit obligations		2,180,176	2,099,493	1,194,266	1,149,590
Accrued guarantee deposits		3,096,982	3,063,986	2,993,845	2,960,827
Deferred tax liabilities		15,210,797	15,229,400	-	-
Other non-current liabilities		220,955	199,663	-	-
Total non-current liabilities		179,787,039	186,276,165	158,760,811	165,269,217
Total liabilities		284,946,335	287,407,201	233,433,664	234,583,343

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 <i>(Continued)</i>	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
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		30,958,853	26,894,168	20,901,773	18,469,243
Other components of equity		(1,272,730)	(1,112,145)	-	-
Equity attributable to equity					
holders of the Company		41,253,541	37,349,441	32,469,191	30,036,661
Non-controlling interests		4,360,741	4,326,296	-	-
Total equity		45,614,282	41,675,737	32,469,191	30,036,661
Total liabilities and equity		330,560,617	329,082,938	265,902,855	264,620,004

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

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

		Consolidated		Separate	
		financial statements		financial statements	
		For the three-month		For the three-month	
		period ended 31 March		period ended 31 March	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Income	3				
Revenue from sale of goods and rendering of services		104,968,767	95,553,652	61,217,476	54,857,355
Interest income		45,523	64,866	56,653	33,885
Dividend income		39	31	-	374,999
Net foreign exchange gain		58,587	-	20	-
Other income		3,712,618	3,162,157	3,669,011	3,183,844
Total income		108,785,534	98,780,706	64,943,160	58,450,083
Expenses	3				
Cost of sale of goods and rendering of services		82,252,728	75,124,884	43,839,169	39,687,987
Selling expenses		16,509,115	14,153,287	13,842,658	11,892,062
Administrative expenses		2,910,563	2,932,172	2,308,650	2,311,865
Net foreign exchange loss		-	19,335	-	600
Finance costs		2,054,419	2,263,162	1,991,366	2,207,872
Total expenses		103,726,825	94,492,840	61,981,843	56,100,386
Profit before income tax expense		5,058,709	4,287,866	2,961,317	2,349,697
Income tax expense	9	959,576	842,338	528,787	338,606
Profit for the period		4,099,133	3,445,528	2,432,530	2,011,091
Profit attributable to:					
Equity holders of the Company		4,064,685	3,408,344	2,432,530	2,011,091
Non-controlling interests		34,448	37,184	-	-
Profit for the period		4,099,133	3,445,528	2,432,530	2,011,091
Basic earnings per share (Baht)	10	0.45	0.38	0.27	0.22

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

CP ALL Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March		For the three-month period ended 31 March	
	2016	2015	2016	2015
	(in thousand Baht)			
Profit for the period	4,099,133	3,445,528	2,432,530	2,011,091
Other comprehensive income				
<i>Item that is or may be reclassified to profit or loss</i>				
Currency translation differences				
from foreign operations	(160,588)	(48,481)	-	-
Other comprehensive income for the period	(160,588)	(48,481)	-	-
Total comprehensive income for the period	3,938,545	3,397,047	2,432,530	2,011,091
Total comprehensive income attributable to:				
Equity holders of the Company	3,904,100	3,359,859	2,432,530	2,011,091
Non-controlling interests	34,445	37,188	-	-
Total comprehensive income for the period	3,938,545	3,397,047	2,432,530	2,011,091

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					
				Currency		Differences on		Equity	
				translation		acquisition of		attributable to	
				differences		non-controlling		equity holders	
				from foreign		interests		of the Company	
				operations				controlling	
								interests	
						</			

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

Consolidated financial statements

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)

	Separate financial statements				
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
			Legal reserve	Unappropriated retained earnings	
			<i>(in thousand Baht)</i>		
For the three-month period ended 31 March 2016					
Balance at 1 January 2016	8,983,101	1,684,317	900,000	18,469,243	30,036,661
Comprehensive income for the period					
Profit	-	-	-	2,432,530	2,432,530
Total comprehensive income for the period	-	-	-	2,432,530	2,432,530
Balance at 31 March 2016	8,983,101	1,684,317	900,000	20,901,773	32,469,191
For the three-month period ended 31 March 2015					
Balance at 1 January 2015	8,983,101	1,684,317	900,000	14,372,640	25,940,058
Comprehensive income for the period					
Profit	-	-	-	2,011,091	2,011,091
Total comprehensive income for the period	-	-	-	2,011,091	2,011,091
Balance at 31 March 2015	8,983,101	1,684,317	900,000	16,383,731	27,951,149

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

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the three-month period ended 31 March		For the three-month period ended 31 March	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		4,099,133	3,445,528	2,432,530	2,011,091
<i>Adjustments for</i>					
Depreciation		1,763,292	1,552,956	1,116,990	981,519
Amortisation of leasehold rights		70,397	54,489	28,943	25,340
Amortisation of other intangible assets		106,279	96,480	37,170	33,932
Interest income		(45,523)	(64,866)	(56,653)	(33,885)
Dividend income		(39)	(31)	-	(374,999)
Finance costs		2,054,419	2,263,162	1,991,366	2,207,872
Income tax expense		959,576	842,338	528,787	338,606
Provision for employees' severance pay		82,553	79,395	45,000	42,000
Allowance for losses on slow-moving inventories (reversal of allowance for losses on slow-moving inventories)		220	(78,245)	(28,012)	(20,015)
Reversal of impairment losses on property, plant and equipment		(1,930)	(1,392)	-	-
Reversal of allowance for doubtful accounts	4	(1,750)	(6,327)	-	-
Unrealised (gain) loss on exchange		6,549	(6,166)	-	601
(Gain) loss on disposal and write-off of property, plant and equipment		(22,675)	4,397	2,680	1,150
Gain on disposal of leasehold rights		(3,302)	(2,713)	(3,302)	(2,713)
		<u>9,067,199</u>	<u>8,179,005</u>	<u>6,095,499</u>	<u>5,210,499</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		25,373	211,386	60,273	18,922
Other accounts receivable		186,675	(46,640)	264,950	60,066
Inventories		400,054	133,856	(331,245)	(405,533)
Other current assets		35,909	825,730	(45,194)	428,476
Other non-current assets		(222,846)	(162,376)	617,176	(107,321)
Trade accounts payable		(4,110,127)	(4,589,449)	(592,807)	(1,427,807)
Other accounts payable		(303,835)	(35,444)	(1,429,147)	(1,433,878)
Other current liabilities		(35,984)	(152,763)	(169,574)	(388,586)
Employee benefit obligations paid		(1,870)	(13,340)	(324)	(8,968)
Accrued guarantee deposits		32,997	112,412	33,018	115,628
Other non-current liabilities		<u>28,261</u>	<u>2,881</u>	<u>-</u>	<u>-</u>
Cash generated from operating activities		<u>5,101,806</u>	<u>4,465,258</u>	<u>4,502,625</u>	<u>2,061,498</u>
Income tax paid		<u>(281,315)</u>	<u>(266,574)</u>	<u>(157,048)</u>	<u>(140,726)</u>
Net cash provided by operating activities		<u>4,820,491</u>	<u>4,198,684</u>	<u>4,345,577</u>	<u>1,920,772</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)

		Consolidated		Separate	
		financial statements		financial statements	
		For the three-month		For the three-month	
		period ended 31 March		period ended 31 March	
Note	2016	2015	2016	2015	
		(in thousand Baht)			
Cash flows from investing activities					
Interest received		22,118	37,795	35,442	2,466
Dividends received		39	31	-	374,999
Purchase of current investments		(570,000)	(2,480,000)	-	-
Sale of current investments		578,600	2,489,657	-	-
Cash outflow on short-term loans to subsidiaries	3	-	-	(700,000)	-
Cash outflow on investments in subsidiaries	5	-	-	(2,906,984)	-
Cash inflow on other long-term investments		-	100,000	-	100,000
Purchase of property, plant and equipment	11	(3,939,315)	(3,981,116)	(1,698,689)	(1,449,989)
Sale of property, plant and equipment		45,182	15,274	14,870	13,330
Purchase of leasehold rights		(136,088)	(308,715)	(15,678)	(38,383)
Sale of leasehold rights		3,352	2,891	3,352	2,891
Purchase of other intangible assets		(230,794)	(235,501)	(62,633)	(183,104)
Sale of other intangible assets		-	3,799	-	-
Net cash used in investing activities		(4,226,906)	(4,355,885)	(5,330,320)	(1,177,790)
Cash flows from financing activities					
Interest paid		(2,300,785)	(2,450,630)	(2,273,957)	(2,439,434)
Dividends paid to non-controlling interests		-	(1)	-	-
Finance lease payments		(33,335)	(26,320)	-	-
Decrease in short-term borrowings from financial institutions	7	(5,209,940)	(9,876,076)	(6,150,000)	(11,000,000)
Proceeds from issue of debentures	7	7,000,000	20,000,000	7,000,000	20,000,000
Repayment of long-term borrowings from financial institutions	7	-	(20,614,250)	-	(20,614,250)
Net cash used in financing activities		(544,060)	(12,967,277)	(1,423,957)	(14,053,684)
Net increase (decrease) in cash and cash equivalents		49,525	(13,124,478)	(2,408,700)	(13,310,702)
Cash and cash equivalents at beginning of period		21,518,252	32,204,375	15,329,709	24,864,030
Effect of exchange rate changes on balances held in foreign currencies		(56,751)	(10,330)	-	(601)
Cash and cash equivalents at end of period		21,511,026	19,069,567	12,921,009	11,552,727

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 2016 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade accounts receivable
5	Investments in subsidiaries
6	Property, plant and equipment
7	Interest-bearing liabilities
8	Segment information
9	Income tax expense
10	Basic earnings per share
11	Supplemental disclosures of cash flows information
12	Financial instruments
13	Commitments with non-related parties
14	Contingent liability
15	Events after the reporting period

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (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 11 May 2016.

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 2016 was 9,043 stores (31 December 2015: 8,832 stores).

	31 March 2016	31 December 2015
	(number of stores)	
The Company owns and manages convenience stores	4,067	3,908
The Company franchises the license to other retailers		
- under management agreements	4,310	4,257
- under sub-license agreements	666	667
Total	9,043	8,832

Details of the Company’s subsidiaries as at 31 March 2016 and 31 December 2015 are given in note 5 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 2015) *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 2015. 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 2015.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

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 2015 except that the Group has adopted all the new and revised Thai Financial Reporting Standards (“TFRS”) that are effective for annual periods beginning on or after 1 January 2016. 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.

(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 judgements and estimates*

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 2015.

3 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 other party or exercise significant influence over the other 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 5 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
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

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Name of parties	Country of incorporation/ nationality	Nature of relationships
Panther Entertainment Co., Ltd	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
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 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
Real Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
SM True 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

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

The pricing policies for particular types of transactions with related parties 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	Source of fund cost plus capital management 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

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Significant transactions for the three-month periods ended 31 March 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
<i>For the three-month period ended 31 March</i>	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	2	2	2	2
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	147	139
Interest income	-	-	34	-
Dividend income	-	-	-	375
Other income	-	-	287	269
Selling expenses	-	-	244	292
Administrative expenses	-	-	495	434
Purchases of goods and services	-	-	4,118	3,561
Purchases of property, plant and equipment and other intangible assets	-	-	712	492
Other related companies				
Revenue from sale of goods and rendering of services	392	361	210	174
Other income	276	130	273	132
Selling expenses	17	10	-	-
Administrative expenses	137	110	103	81
Purchases of goods and services	8,111	6,631	6,692	5,674
Purchases of property, plant and equipment and other intangible assets	-	3	-	3
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	151	141	96	89
Severance pay for employees	3	8	2	3
Total key management benefit expenses	154	149	98	92

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Balances as at 31 March 2016 and 31 December 2015 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Related companies	99	75	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
Net	97	73	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	-	-	-	-

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Subsidiaries	-	-	271	374
Other related companies	314	340	295	324
Total	314	340	566	698

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	-	-	-	-

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Short-term loans to subsidiaries

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(in million Baht)			
CPRAM Co., Ltd.	-	-	3,000	2,900
CP Retailink Co., Ltd.	-	-	600	-
Total	-	-	3,600	2,900

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in million Baht)			
At 1 January	-	-	2,900	-
Increases	-	-	700	-
At 31 March	-	-	3,600	-
At 31 December		-		2,900

At 31 March 2016 the outstanding balance of short-term loans to the subsidiaries were unsecured and at call; and the interest rate was fixed at 4.75% per annum.

Prepaid rental and service fees

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(in million Baht)			
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	186	194
Total	-	-	216	224

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

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Subsidiaries	-	-	1,562	1,440
Other related companies	5,034	5,593	3,924	4,159
Total	5,034	5,593	5,486	5,599

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Subsidiaries	-	-	6,256	7,409
Other related companies	89	69	20	18
Total	89	69	6,276	7,427

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Within one year	111	131	78	104
After one year but within five years	116	101	-	-
After five years	159	180	-	-
Total	386	412	78	104

The Group has lease agreements covering lease of buildings, vehicles and other assets for periods of 3 to 25 years, which will expire between 2016 to 2039.

Significant agreements with related parties

As at 31 March 2016 the Group had the following significant agreements with related parties.

- 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 2016. In consideration thereof, the Company agreed 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 interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.
- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 3 years ending in December 2017. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2017. In consideration thereof, the subsidiary agreed to pay an annual service fee to the Company at the amount stipulated in the agreement.
- (g) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 9.2 million, and placed guarantee deposits with the related company totaling Baht 27.5 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 February 2018.
- (h) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. ("the service provider"), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2016. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

- (i) The Company has a service agreement with Siam Makro Public Company Limited, a local subsidiary. Under the terms of the agreement, the Company agrees to grant:
- (1) the right to use certain trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee calculated as a percentage of sales of the subsidiary as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.
 - (2) the rights to use software under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay fees 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.
- (j) A local subsidiary, Siam Makro Public Company Limited, has lease and service agreements with CP Retailink Co., Ltd, a local subsidiary ("the party"). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until March 2019.

4 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(in million Baht)			
Related parties	3	99	75	-	-
Other parties		750	800	67	127
Total		849	875	67	127
Less allowance for doubtful accounts		(19)	(21)	-	-
Net		830	854	67	127

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in million Baht)			
Reversal of allowance for doubtful accounts for the three-month period ended 31 March	(2)	(6)	-	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
<i>Note</i>	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	83	37	-	-
Overdue:				
Less than 3 months	15	37	-	-
3 - 6 months	1	1	-	-
Total	99	75	-	-
<i>Less</i> allowance for doubtful accounts	(2)	(2)	-	-
Net	97	73	-	-
	3			
Other parties				
Within credit terms	614	643	67	127
Overdue:				
Less than 3 months	114	133	-	-
3 - 6 months	6	8	-	-
6 - 12 months	7	6	-	-
Over 12 months	9	10	-	-
Total	750	800	67	127
<i>Less</i> allowance for doubtful accounts	(17)	(19)	-	-
Net	733	781	67	127
Grand total	830	854	67	127

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

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

5 Investments in subsidiaries

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	-	-	202,600	202,238
Increases	-	-	2,907	-
At 31 March	-	-	205,507	202,238
At 31 December		-		202,600

Details of the increase in investments in subsidiary during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Lotus Distribution Investment Limited	-	-	2,907	-
Total	-	-	2,907	-

Additional investments

During the first quarter of 2016, the subsidiary collected from the called for additional paid-up share capital of United States Dollars 80 million; from United States Dollars 126 million to United States Dollars 206 million.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Investments in subsidiaries as at 31 March 2016 and 31 December 2015, and dividend income for the three-month periods ended 31 March 2016 and 2015 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 2016	
(in million Baht)											
<i>Local direct subsidiaries</i>											
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	-	-	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-	-
Counter Service Co., Ltd.	Bill payment services, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	70	70	61	61	-	-	350
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
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

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 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015		
			(in million Baht)							
All Corporation Limited Dynamic Management Co., Ltd.	Holding company	Thailand	99.99	99.99	13	13	13	13	-	-
	Logistics and distribution of merchandises	Thailand	99.99	99.99	2	2	2	2	-	-
MAM Heart Co., Ltd.	Marketing activities	Thailand	99.99	99.99	1	1	1	1	-	-
Panyatara Co., Ltd.	planning services	Thailand	99.99	99.99	1	1	1	1	-	15
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	-	10
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	99.99	30	30	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	-	-
Total							198,381	198,381	-	375

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

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 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	
			(%)		(in million US\$)		(in million Baht)		
<i>Foreign direct subsidiaries</i>									
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	206	126	7,126	4,219	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	_*	_*	_*	_*	-
Total							7,126	4,219	-
Grand total							205,507	202,600	375

* As at 31 March 2016 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 interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Details of the Company's indirect subsidiaries as at 31 March 2016 and 31 December 2015 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests	
			31 March 2016	31 December 2015
			(%)	
<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	97.88
Makro ROH Co., Ltd	Providing technical and supporting services to the Group	Thailand	97.88	97.88
ProMart Co., Ltd.	Trading of non-food products	Thailand	97.88	97.88
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99
<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
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding and educational institution	The People's Republic of China	100.00	100.00
Nanjing Tech University Pujiang Institute	Educational institution	The People's Republic of China	100.00	100.00
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	97.88	97.88
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	97.88	97.88

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

6 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements			
	2016		2015	
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value (in million Baht)	Acquisition and transfers in - at cost	Disposals and transfers out - net book value
Land	32	-	486	-
Buildings, building and leasehold improvements	1,725	5	877	6
Machinery and equipment	1,285	4	942	3
Furniture, fixtures and office equipment	603	12	513	10
Assets under construction and installation	2,400	2,628	1,890	1,485
Other	334	1	190	1
Total	6,379	2,650	4,898	1,505

	Separate financial statements			
	2016		2015	
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value (in million Baht)	Acquisition and transfers in - at cost	Disposals and transfers out - net book value
Land	4	-	63	-
Buildings, building and leasehold improvements	432	4	432	4
Machinery and equipment	356	1	260	-
Furniture, fixtures and office equipment	569	12	316	9
Assets under construction and installation	782	515	826	596
Other	114	1	186	1
Total	2,257	533	2,083	610

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

7 Interest-bearing liabilities

Short-term borrowings from financial institutions

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	11,881	14,726	9,000	11,000
Decreases	(5,210)	(9,876)	(6,150)	(11,000)
At 31 March	6,671	4,850	2,850	-
At 31 December		11,881		9,000

Debentures

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Current	25,427	11,841	25,427	11,841
Non-current	154,573	161,159	154,573	161,159
Total	180,000	173,000	180,000	173,000

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	173,000	140,000	173,000	140,000
Increases	7,000	20,000	7,000	20,000
At 31 March	180,000	160,000	180,000	160,000
At 31 December		173,000		173,000

Debentures 1/2016

On 18 March 2016 the Company issued Baht 7,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings, divided into:

- Debentures term of 5 years of Baht 1,382 million, fully repayable on 18 March 2021 and bearing interest at the fixed rate of 2.95% per annum.
- Debentures term of 7 years of Baht 937 million, fully repayable on 18 March 2023 and bearing interest at the fixed rate of 3.40% per annum.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

- Debentures term of 10 years of Baht 2,074 million, fully repayable on 18 March 2026 and bearing interest at the fixed rate of 4.00% per annum.
- Debentures term of 12 years of Baht 2,607 million, fully repayable on 18 March 2028 and bearing interest at the fixed rate of 4.15% per annum.

These series of debentures have a credit rating of “A(thai)” updated by Fitch Ratings (Thailand) Limited on 13 March 2016 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 March 2016.

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, and to pledge Siam Makro Public Company Limited shares, etc.

Siam Makro Public Company Limited shares as at 31 March 2016, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 3,599 million shares. The fair value of those shares totaled Baht 122,371 million.

Long-term borrowings from financial institutions

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	4,000	43,215	-	41,215
Decreases	-	(20,614)	-	(20,614)
At 31 March	4,000	22,601	-	20,601
At 31 December		4,000		-

In this regard, the Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio and the shareholdings of the Company in a local subsidiary as stipulated in the agreements, etc.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

8 Segment information

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

Segment 1: Convenience stores

Segment 2: Cash and carry

Segment 3: Other

Other operations principally comprise bill payment services, frozen food plant and bakery, distributor of retailing equipment and educational institutions. None of these segments meets the quantitative threshold for determining reportable segments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax expense, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before income tax expense 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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Revenue and results, based on segments, in the consolidated financial statements for the three-month periods ended 31 March 2016 and 2015 were as follows:

	For the three-month periods ended 31 March					
	Convenience stores 2016	Cash and carry 2015	Other 2016	Eliminate 2016	2015	Total 2016
Revenue from sale of goods and rendering of services from external customers	61,217	54,857	42,370	39,588	7,295	6,311
Total income	64,943	58,450	42,578	39,776	7,528	6,431
Profit before income tax expense for the period	2,961	2,350	1,493	1,873	629	505
				(24)	(440)	5,059
						4,288

Assets, based on segments, in the consolidated financial statements at 31 March 2016 and 31 December 2015 were as follows:

	For the three-month periods ended 31 March					
	Convenience stores 31 March 2016	Cash and carry 31 March 2016	Other 31 March 2016	Eliminate 31 March 2016	31 December 2015	Total 31 March 2016
Segment assets	265,903	264,620	250,061	249,799	32,370	(217,706)
						330,561
						329,083

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

9 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.

10 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2016 and 2015 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

<i>For the three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	<u>4,065</u>	<u>3,408</u>	<u>2,433</u>	<u>2,011</u>
Weighted average number of ordinary shares outstanding during the period	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>
Basic earnings per share (in Baht)	<u>0.45</u>	<u>0.38</u>	<u>0.27</u>	<u>0.22</u>

11 Supplemental disclosures of cash flows information

Details of property, plant and equipment paid by cash during the three-month periods ended 31 March 2016 and 2015 were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in million Baht)</i>			
Increase during the period	6	6,379	4,898	2,257	2,083
Add (less) - changes in payables		190	567	(43)	(37)
- assets under finance leases		(2)	1	-	-
- transfers from assets under construction and installation		(2,628)	(1,485)	(515)	(596)
Purchase and paid by cash		<u>3,939</u>	<u>3,981</u>	<u>1,699</u>	<u>1,450</u>

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

12 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
		(in million Baht)		
As at 31 March 2016				
<i>Financial assets/Financial liabilities not measured at fair value</i>				
Debentures	180,000	191,921	180,000	191,921
Accrued guarantee deposits	3,097	2,634	2,994	2,531
As at 31 December 2015				
<i>Financial assets/Financial liabilities not measured at fair value</i>				
Debentures	173,000	182,156	173,000	182,156
Accrued guarantee deposits	3,064	2,522	2,961	2,412

As at 31 March 2016 and 31 December 2015 the Group had total forward currency contracts as follows:

		Consolidated financial statements	
		31 March 2016	31 December 2015
Foreign currency		<i>(in million)</i>	
Forward currency contracts - to buy	Yen	2,127.7	3,026.3
	United States Dollars	38.7	29.5
	Euro	0.6	2.8
	Pound Sterling	0.2	0.4
	Swiss Franc	0.2	-
	Australian Dollars	0.1	0.2
Forward currency contracts - to sell	United States Dollars	0.3	0.7
	Swiss Franc	0.3	0.2
	Pound Sterling	0.1	0.2

As at 31 March 2016 the fair value of forward currency contracts - to buy and forward currency contracts - to sell amounting to Baht 2,081 million and Baht 26 million respectively (31 December 2015: Baht 2,114 million and Baht 40 million respectively).

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

13 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Contracted but not provided for (construction costs of new plants, installation costs of machinery, and computer system development costs)	1,436	1,671	-	-
Total	1,436	1,671	-	-

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Within one year	4,766	4,979	4,360	4,548
After one year but within five years	6,669	7,070	5,343	5,672
After five years	5,437	6,270	2,178	2,219
Total	16,872	18,319	11,881	12,439

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 31 years, which will expire between 2016 to 2046.

Other commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	1,120	1,000	-	-
Total	1,120	1,000	-	-

Letters of guarantee

As at 31 March 2016 the Group had commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, lease agreements and others totaling Baht 1,137 million and USD 0.3 million (31 December 2015: Baht 1,147 million and USD 0.3 million).

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Significant agreements

As at 31 March 2016 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 damage and/or liability that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposit rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.
- (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 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 ("the parties"), 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 parties as stipulated in the agreements. These agreements are effective for periods over 61 days to 6 months, and will expire on various dates until June 2016.
- (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.) ("the parties"). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the parties then remits funds to the parties as the agreed procedures. 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 July 2020. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

- (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 up to April 2019. 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.

14 Contingent liability

As at 31 March 2016 the Company had contingently liable to a legal case, which the Company is a defendant in a lawsuit involving the compliance with Tender Offer Rule. The court of first instance had a judgement on 24 February 2015 and ruled the Company to pay the claimed damages amounting to Baht 104.7 million including interest at the rate of 7.5% per annum starting from 2 August 2013 up to the settlement of claimed damages will be completed. Consequently on 19 June 2015 the Company appealed the court's judgement; and on 16 November 2015 the plaintiff filed against an appeal to the court.

As at the date in this report, the Company's legal counsel is of the opinion that based on the witness statements and evidences presented during the trial, the court should eventually dismiss and the Company will not be received the significant negative effects. Accordingly, no provision has been made in the interim financial statements for the three-month period ended 31 March 2016.

15 Events after the reporting period

- 15.1 At the annual general meeting of the shareholders of the Company held on 21 April 2016, the Company's shareholders approved the following significant resolutions:
 - The appropriation of 2015 annual dividends of Baht 0.90 per share for 8,983 million ordinary shares, totaling Baht 8,085 million, from the profit attributable to equity holders of the Company for the year 2015. The Company will pay dividends to the Company's shareholders in May 2016.
 - The additional of issuance and offering of the debentures up to Baht 15,000 million for debentures redemption, refinancing, repayment of borrowings, short term debt redemption, and/or using as working capital. In consideration thereof, the debentures to be issued and offered together with reference to the approval issuance and offering of the existing debentures, the aggregate amount is not exceed Baht 195,000 million.
- 15.2 At the annual general meeting of the shareholders of a local subsidiary (Siam Makro Public Company Limited) held on 20 April 2016, the subsidiary's shareholders approved a resolution to declare the final dividend payment for the year 2015 at Baht 0.45 per share for 4,800 million ordinary shares, totaling Baht 2,160 million, which the subsidiary will pay dividends to its shareholders in May 2016.