

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

Interim financial statements  
for the three-month and six-month periods ended  
30 June 2016

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**

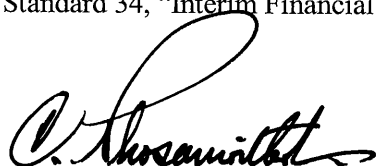
I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 30 June 2016; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2016; the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 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  
10 August 2016

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

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Assets	Note	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		17,066,363	21,518,252	10,237,220	15,329,709
Current investments		1,386,185	1,402,447	-	-
Trade accounts receivable	3,4	786,481	854,059	104,244	127,467
Other accounts receivable	3	2,597,421	2,034,188	2,625,440	2,193,375
Short-term loans to subsidiaries	3	-	-	3,600,000	2,900,000
Inventories	3	23,560,938	25,072,218	10,579,248	10,621,746
Other current assets	3	4,937,687	6,091,749	3,177,352	4,278,345
<b>Total current assets</b>		<b>50,335,075</b>	<b>56,972,913</b>	<b>30,323,504</b>	<b>35,450,642</b>
<b>Non-current assets</b>					
Investments in subsidiaries	5	-	-	205,506,615	202,599,631
Investment in related company	3	34,000	24,000	34,000	24,000
Other long-term investments		412	412	-	-
Investment properties		332,832	333,200	-	-
Property, plant and equipment	3,6	93,588,667	89,447,351	23,495,725	22,440,954
Goodwill		126,072,806	126,072,806	-	-
Leasehold rights		3,299,335	3,283,692	374,466	400,847
Other intangible assets	3	50,019,400	50,156,748	861,863	870,556
Deferred tax assets		762,799	731,395	352,604	346,343
Other non-current assets	3	2,321,833	2,060,421	1,899,375	2,487,031
<b>Total non-current assets</b>		<b>276,432,084</b>	<b>272,110,025</b>	<b>232,524,648</b>	<b>229,169,362</b>
<b>Total assets</b>		<b>326,767,159</b>	<b>329,082,938</b>	<b>262,848,152</b>	<b>264,620,004</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	
		30 June	31 December	30 June	31 December
Liabilities and equity	Note	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Short-term borrowings from					
financial institutions	7	8,196,947	11,881,373	3,100,000	9,000,000
Trade accounts payable	3	57,787,758	62,623,567	31,629,886	32,807,381
Other accounts payable	3	2,964,255	3,643,053	6,930,388	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		83,485	80,187	-	-
Income tax payable		1,326,429	1,131,907	662,790	388,373
Other current liabilities		9,500,654	9,929,749	6,523,621	6,508,416
<b>Total current liabilities</b>		<b>105,286,828</b>	<b>101,131,036</b>	<b>74,273,985</b>	<b>69,314,126</b>
<b>Non-current liabilities</b>					
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		485,092	524,823	-	-
Employee benefit obligations		2,253,367	2,099,493	1,235,474	1,149,590
Accrued guarantee deposits		3,199,830	3,063,986	3,083,494	2,960,827
Deferred tax liabilities		15,191,985	15,229,400	-	-
Other non-current liabilities		261,783	199,663	16,602	-
<b>Total non-current liabilities</b>		<b>179,964,757</b>	<b>186,276,165</b>	<b>158,908,270</b>	<b>165,269,217</b>
<b>Total liabilities</b>		<b>285,251,585</b>	<b>287,407,201</b>	<b>233,182,255</b>	<b>234,583,343</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	
		30 June	31 December	30 June	31 December
Liabilities and equity <i>(Continued)</i>	Note	2016	2015	2016	2015
		(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		27,070,010	26,894,168	18,098,479	18,469,243
Other components of equity		(1,469,352)	(1,112,145)	-	-
<b>Equity attributable to equity</b>					
holders of the Company		37,168,076	37,349,441	29,665,897	30,036,661
Non-controlling interests		4,347,498	4,326,296	-	-
<b>Total equity</b>		<b>41,515,574</b>	<b>41,675,737</b>	<b>29,665,897</b>	<b>30,036,661</b>
<b>Total liabilities and equity</b>					
		<b>326,767,159</b>	<b>329,082,938</b>	<b>262,848,152</b>	<b>264,620,004</b>

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of income (Unaudited)

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the three-month		For the three-month	
		period ended 30 June		period ended 30 June	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<b>Income</b>	<b>3</b>				
Revenue from sale of goods and rendering of services		109,997,677	97,292,252	65,652,105	58,129,180
Interest income		49,250	50,558	66,008	26,155
Dividend income		39	31	2,631,365	1,971,807
Net foreign exchange gain		7,685	-	-	-
Other income		4,573,992	3,333,320	4,593,821	3,378,723
<b>Total income</b>		<b>114,628,643</b>	<b>100,676,161</b>	<b>72,943,299</b>	<b>63,505,865</b>
<b>Expenses</b>	<b>3</b>				
Cost of sale of goods and rendering of services		86,035,371	76,134,726	46,910,132	41,845,114
Selling expenses		18,435,327	15,481,647	15,835,251	13,178,109
Administrative expenses		3,015,486	2,972,431	2,448,681	2,446,603
Net foreign exchange loss		-	36,122	20	420
Finance costs		2,096,779	2,166,959	2,028,636	2,108,969
<b>Total expenses</b>		<b>109,582,963</b>	<b>96,791,885</b>	<b>67,222,720</b>	<b>59,579,215</b>
<b>Profit before income tax expense</b>		<b>5,045,680</b>	<b>3,884,276</b>	<b>5,720,579</b>	<b>3,926,650</b>
Income tax expense	9	817,142	715,648	439,082	327,314
<b>Profit for the period</b>		<b>4,228,538</b>	<b>3,168,628</b>	<b>5,281,497</b>	<b>3,599,336</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		4,195,948	3,139,595	5,281,497	3,599,336
Non-controlling interests		32,590	29,033	-	-
<b>Profit for the period</b>		<b>4,228,538</b>	<b>3,168,628</b>	<b>5,281,497</b>	<b>3,599,336</b>
<b>Basic earnings per share (Baht)</b>	<b>10</b>	<b>0.47</b>	<b>0.35</b>	<b>0.59</b>	<b>0.40</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		For the three-month	
	period ended 30 June		period ended 30 June	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>4,228,538</b>	<b>3,168,628</b>	<b>5,281,497</b>	<b>3,599,336</b>
<b>Other comprehensive income</b>				
<i>Item that is or may be reclassified</i>				
<i>to profit or loss</i>				
Currency translation differences				
from foreign operations	(196,622)	170,030	-	-
<b>Other comprehensive income</b>				
<b>for the period</b>	<b>(196,622)</b>	<b>170,030</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>				
<b>for the period</b>	<b>4,031,916</b>	<b>3,338,658</b>	<b>5,281,497</b>	<b>3,599,336</b>
<b>Total comprehensive income</b>				
<b>attributable to:</b>				
Equity holders of the Company	3,999,326	3,309,629	5,281,497	3,599,336
Non-controlling interests	32,590	29,029	-	-
<b>Total comprehensive income</b>				
<b>for the period</b>	<b>4,031,916</b>	<b>3,338,658</b>	<b>5,281,497</b>	<b>3,599,336</b>

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

# CP ALL Public Company Limited and its Subsidiaries

## Statement of income (Unaudited)

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the six-month		For the six-month	
		period ended 30 June		period ended 30 June	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<b>Income</b>	<b>3</b>				
Revenue from sale of goods and rendering of services		214,966,444	192,845,904	126,869,581	112,986,535
Interest income		94,773	115,424	122,661	60,040
Dividend income		78	62	2,631,365	2,346,806
Net foreign exchange gain		66,272	-	-	-
Other income		8,286,610	6,495,477	8,262,832	6,562,567
<b>Total income</b>		<b>223,414,177</b>	<b>199,456,867</b>	<b>137,886,439</b>	<b>121,955,948</b>
<b>Expenses</b>	<b>3</b>				
Cost of sale of goods and rendering of services		168,288,099	151,259,610	90,749,301	81,533,101
Selling expenses		34,944,442	29,634,934	29,677,909	25,070,171
Administrative expenses		5,926,049	5,904,603	4,757,331	4,758,468
Net foreign exchange loss		-	55,457	-	1,020
Finance costs		4,151,198	4,430,121	4,020,002	4,316,841
<b>Total expenses</b>		<b>213,309,788</b>	<b>191,284,725</b>	<b>129,204,543</b>	<b>115,679,601</b>
<b>Profit before income tax expense</b>		<b>10,104,389</b>	<b>8,172,142</b>	<b>8,681,896</b>	<b>6,276,347</b>
Income tax expense	9	1,776,718	1,557,986	967,869	665,920
<b>Profit for the period</b>		<b>8,327,671</b>	<b>6,614,156</b>	<b>7,714,027</b>	<b>5,610,427</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		8,260,633	6,547,939	7,714,027	5,610,427
Non-controlling interests		67,038	66,217	-	-
<b>Profit for the period</b>		<b>8,327,671</b>	<b>6,614,156</b>	<b>7,714,027</b>	<b>5,610,427</b>
<b>Basic earnings per share (Baht)</b>	<b>10</b>	<b>0.92</b>	<b>0.73</b>	<b>0.86</b>	<b>0.62</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 six-month		For the six-month	
	period ended 30 June		period ended 30 June	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>8,327,671</b>	<b>6,614,156</b>	<b>7,714,027</b>	<b>5,610,427</b>
<b>Other comprehensive income</b>				
<i>Item that is or may be reclassified</i>				
<i>to profit or loss</i>				
Currency translation differences				
from foreign operations	(357,210)	121,549	-	-
<b>Other comprehensive income</b>				
<b>for the period</b>	<b>(357,210)</b>	<b>121,549</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>				
<b>for the period</b>	<b>7,970,461</b>	<b>6,735,705</b>	<b>7,714,027</b>	<b>5,610,427</b>
<b>Total comprehensive income</b>				
<b>attributable to:</b>				
Equity holders of the Company	7,903,426	6,669,488	7,714,027	5,610,427
Non-controlling interests	67,035	66,217	-	-
<b>Total comprehensive income</b>				
<b>for the period</b>	<b>7,970,461</b>	<b>6,735,705</b>	<b>7,714,027</b>	<b>5,610,427</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							
	Currency									
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Differences on translation differences from foreign operations	Differences on acquisition of non-controlling interests	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
<i>Note</i>										
<i>(in thousand Baht)</i>										
For the six-month period ended 30 June 2016	8,983,101	1,684,317	900,000	26,894,168	30,440	(1,142,585)	(1,112,145)	37,349,441	4,326,296	41,675,737
Transactions with equity holders, recorded directly in equity										
<i>Distributions to equity holders</i>										
Dividends	-	-	-	(8,084,791)	-	-	-	(8,084,791)	(45,833)	(8,130,624)
Total transactions with equity holders, recorded directly in equity	-	-	-	(8,084,791)	-	-	-	(8,084,791)	(45,833)	(8,130,624)
Comprehensive income for the period										
Profit	-	-	-	8,260,633	-	-	-	8,260,633	67,038	8,327,671
Other comprehensive income	-	-	-	-	(357,207)	-	(357,207)	(357,207)	(3)	(357,210)
Total comprehensive income for the period	-	-	-	8,260,633	(357,207)	-	(357,207)	7,903,426	67,035	7,970,461
Balance at 30 June 2016	8,983,101	1,684,317	900,000	27,070,010	(326,767)	(1,142,585)	(1,469,352)	37,168,076	4,347,498	41,515,574

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
<i>Note</i>			Legal reserve	Unappropriated retained earnings	
			<i>(in thousand Baht)</i>		
For the six-month period ended 30 June 2016					
<b>Balance at 1 January 2016</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>18,469,243</b>	<b>30,036,661</b>
Transactions with equity holders, recorded directly in equity					
<i>Distributions to equity holders</i>					
Dividends	-	-	-	(8,084,791)	(8,084,791)
Total transactions with equity holders, recorded directly in equity	-	-	-	(8,084,791)	(8,084,791)
Comprehensive income for the period					
Profit	-	-	-	7,714,027	7,714,027
Total comprehensive income for the period	-	-	-	7,714,027	7,714,027
<b>Balance at 30 June 2016</b>	<b>8,983,101</b>	<b>1,684,317</b>	<b>900,000</b>	<b>18,098,479</b>	<b>29,665,897</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)**

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
				Legal reserve	Unappropriated retained earnings	
				(in thousand Baht)		
For the six-month period ended 30 June 2015						
Balance at 1 January 2015		8,983,101	1,684,317	900,000	14,372,640	25,940,058
Transactions with equity holders, recorded directly in equity						
Distributions to equity holders						
Dividends	11	-	-	-	(7,186,481)	(7,186,481)
Total transactions with equity holders, recorded directly in equity		-	-	-	(7,186,481)	(7,186,481)
Comprehensive income for the period						
Profit		-	-	-	5,610,427	5,610,427
Total comprehensive income for the period		-	-	-	5,610,427	5,610,427
Balance at 30 June 2015		8,983,101	1,684,317	900,000	12,796,586	24,364,004

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month		For the six-month	
	period ended 30 June		period ended 30 June	
Note	2016	2015	2016	2015
	(in thousand Baht)			
<b>Cash flows from operating activities</b>				
Profit for the period	8,327,671	6,614,156	7,714,027	5,610,427
Adjustments for				
Depreciation	3,597,718	3,186,022	2,266,639	2,006,771
Amortisation of leasehold rights	137,470	110,418	57,337	50,377
Amortisation of other intangible assets	246,407	198,197	83,406	71,821
Interest income	(94,773)	(115,424)	(122,661)	(60,040)
Dividend income	(78)	(62)	(2,631,365)	(2,346,806)
Finance costs	4,151,198	4,430,121	4,020,002	4,316,841
Income tax expense	1,776,718	1,557,986	967,869	665,920
Provision for employees' severance pay	160,283	159,029	90,000	84,000
Reversal of allowance for losses on slow-moving inventories	(31,382)	(84,480)	(71,182)	(39,032)
Impairment losses on property, plant and equipment (reversal of impairment losses on property, plant and equipment)	(1,930)	2,844	-	-
Reversal of allowance for doubtful accounts	4	(1,028)	(5,238)	-
Unrealised (gain) loss on exchange	9,106	(5,275)	-	-
Gain on disposal of investment properties	(749)	-	-	-
(Gain) loss on disposal and write-off of property, plant and equipment	(10,495)	22,025	11,539	14,478
Gain on disposal of leasehold rights	(6,488)	(1,788)	(6,488)	(1,788)
	18,259,648	16,068,531	12,379,123	10,372,969
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	69,115	211,638	23,223	27,861
Other accounts receivable	(565,091)	(151,486)	(429,649)	93,001
Inventories	1,542,223	836,703	113,680	(21,431)
Other current assets	1,157,431	405,045	1,107,544	585,772
Other non-current assets	(386,009)	21,853	587,656	(207,977)
Trade accounts payable	(4,834,637)	(6,601,635)	(1,177,495)	(2,317,535)
Other accounts payable	(284,379)	(102,862)	(1,751,708)	(1,327,848)
Other current liabilities	(465,793)	(635,227)	(116,030)	(351,066)
Employee benefit obligations paid	(6,119)	(15,396)	(1,823)	(10,232)
Employee benefit obligations transferred	(290)	-	(2,293)	-

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)**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the six-month		For the six-month	
		period ended 30 June		period ended 30 June	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Accrued guarantee deposits		135,844	185,248	122,667	183,858
Other non-current liabilities		<u>73,813</u>	<u>(13,506)</u>	<u>16,602</u>	<u>-</u>
Cash generated from operating activities		14,695,756	10,208,906	10,871,497	7,027,372
Income tax paid		<u>(1,651,874)</u>	<u>(1,293,801)</u>	<u>(699,713)</u>	<u>(288,016)</u>
<b>Net cash provided by operating activities</b>		<b><u>13,043,882</u></b>	<b><u>8,915,105</u></b>	<b><u>10,171,784</u></b>	<b><u>6,739,356</u></b>
<b><i>Cash flows from investing activities</i></b>					
Interest received		95,940	115,904	121,206	62,571
Dividends received		78	62	2,631,365	2,346,806
Purchase of current investments		(1,380,000)	(1,644,000)	-	-
Sale of current investments		1,395,880	1,543,965	-	-
Cash outflow on short-term loans to subsidiaries	3	-	-	(707,000)	(970,000)
Cash inflow on short-term loans to subsidiaries	3	-	-	7,000	800,000
Cash outflow on investments in subsidiaries	5	-	-	(2,906,984)	-
Cash outflow on investments in related company	3	(10,000)	-	(10,000)	-
Cash inflow on other long-term investments		-	100,000	-	100,000
Sale of investment properties		1,117	-	-	-
Purchase of property, plant and equipment	12	(8,139,121)	(7,083,183)	(3,313,631)	(2,838,437)
Sale of property, plant and equipment		73,737	35,752	28,652	27,904
Purchase of leasehold rights		(187,426)	(605,029)	(40,906)	(61,508)
Sale of leasehold rights		6,538	5,951	6,538	5,951
Purchase of other intangible assets		(359,482)	(361,122)	(141,516)	(204,051)
Sale of other intangible assets		<u>185</u>	<u>6,075</u>	<u>-</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<b><u>(8,502,554)</u></b>	<b><u>(7,885,625)</u></b>	<b><u>(4,325,276)</u></b>	<b><u>(730,764)</u></b>

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 six-month		For the six-month	
		period ended 30 June		period ended 30 June	
Note		2016	2015	2016	2015
		(in thousand Baht)			
<b>Cash flows from financing activities</b>					
Interest paid		(4,065,588)	(4,221,642)	(3,954,101)	(4,162,686)
Dividends paid to equity holders of the Company		(8,084,896)	(7,186,361)	(8,084,896)	(7,186,361)
Dividends paid to non-controlling interests		(45,833)	(42,778)	-	-
Finance lease payments		(66,376)	(53,137)	-	-
Increase (decrease) in short-term borrowings from financial institutions	7	(3,683,839)	2,009,467	(5,900,000)	(1,000,000)
Proceeds from issue of debentures	7	7,000,000	33,000,000	7,000,000	33,000,000
Repayment of long-term borrowings from financial institutions	7	-	(41,215,131)	-	(41,215,131)
<b>Net cash used in financing activities</b>		<b>(8,946,532)</b>	<b>(17,709,582)</b>	<b>(10,938,997)</b>	<b>(20,564,178)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,405,204)</b>	<b>(16,680,102)</b>	<b>(5,092,489)</b>	<b>(14,555,586)</b>
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		(46,685)	41,818	-	-
<b>Cash and cash equivalents at end of period</b>		<b>17,066,363</b>	<b>15,566,091</b>	<b>10,237,220</b>	<b>10,308,444</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 and six-month periods ended 30 June 2016 (Unaudited)**

<b>Note</b>	<b>Contents</b>
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	Dividends
12	Supplemental disclosures of cash flows information
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**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 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 10 August 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 30 June 2016 was 9,252 stores (*31 December 2015: 8,832 stores*).

	30 June 2016	31 December 2015
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	4,147	3,908
The Company franchises the license to other retailers		
- under management agreements	4,434	4,257
- under sub-license agreements	671	667
<b>Total</b>	<b>9,252</b>	<b>8,832</b>

Details of the Company’s subsidiaries as at 30 June 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 and six-month periods ended 30 June 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:

<b>Name of parties</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
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 ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Name of parties	Country of incorporation/ nationality	Nature of relationships
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
C.P. Land Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Lifestyle Retail Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Universal Convergence Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Internet Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P.Vietnam Corporation	Vietnam	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True 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 Move H Universal Communication 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 and six-month periods ended 30 June 2016 (Unaudited)**

The pricing policies for particular types of transactions with related parties 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	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 and six-month periods ended 30 June 2016 (Unaudited)**

Significant transactions for the three-month and six-month periods ended 30 June 2016 and 2015 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>For the three-month period ended 30 June</i>	2016	2015	2016	2015
	<i>(in million Baht)</i>			
<b><i>Ultimate parent company</i></b>				
Administrative expenses	3	3	3	3
<b><i>Subsidiaries</i></b>				
Revenue from sale of goods and rendering of services	-	-	153	138
Interest income	-	-	43	2
Dividend income	-	-	2,631	1,972
Other income	-	-	316	277
Selling expenses	-	-	317	276
Administrative expenses	-	-	561	474
Purchases of goods and services	-	-	4,476	3,895
Purchases of property, plant and equipment and other intangible assets	-	-	429	366
<b><i>Other related companies</i></b>				
Revenue from sale of goods and rendering of services	399	352	203	178
Other income	909	266	903	261
Selling expenses	16	8	-	-
Administrative expenses	121	100	77	66
Purchases of goods and services	8,563	7,122	6,862	5,927
Purchases of property, plant and equipment and other intangible assets	-	14	-	-
<b><i>Key management personnel</i></b>				
Key management benefit expenses				
Short-term employee benefits	188	179	136	128
Severance pay for employees	3	8	2	3
<b>Total key management benefit expenses</b>	<b>191</b>	<b>187</b>	<b>138</b>	<b>131</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

<i>For the six-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
<b><i>Ultimate parent company</i></b>				
Administrative expenses	5	5	5	5
<b><i>Subsidiaries</i></b>				
Revenue from sale of goods and rendering of services	-	-	300	277
Interest income	-	-	77	2
Dividend income	-	-	2,631	2,347
Other income	-	-	603	546
Selling expenses	-	-	561	568
Administrative expenses	-	-	1,056	908
Purchases of goods and services	-	-	8,594	7,456
Purchases of property, plant and equipment and other intangible assets	-	-	1,141	858
<b><i>Other related companies</i></b>				
Revenue from sale of goods and rendering of services	791	713	413	352
Other income	1,185	396	1,176	393
Selling expenses	33	18	-	-
Administrative expenses	258	210	180	147
Purchases of goods and services	16,674	13,753	13,554	11,601
Purchases of property, plant and equipment and other intangible assets	-	17	-	3
<b><i>Key management personnel</i></b>				
Key management benefit expenses				
Short-term employee benefits	339	320	232	217
Severance pay for employees	6	16	4	6
<b>Total key management benefit expenses</b>	<b>345</b>	<b>336</b>	<b>236</b>	<b>223</b>

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2016 (Unaudited)**

Balances as at 30 June 2016 and 31 December 2015 with related parties were as follows:

***Trade accounts receivable***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Related companies	120	75	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
<b>Net</b>	<b>118</b>	<b>73</b>	<b>-</b>	<b>-</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
<b>Bad and doubtful debts expense for the</b>				
- three-month period ended 30 June	-	-	-	-
- six-month period ended 30 June	-	-	-	-

***Other accounts receivable***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Subsidiaries	-	-	286	374
Other related companies	1,060	340	1,040	324
<b>Total</b>	<b>1,060</b>	<b>340</b>	<b>1,326</b>	<b>698</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
<b>Bad and doubtful debts expense for the</b>				
- three-month period ended 30 June	-	-	-	-
- six-month period ended 30 June	-	-	-	-



**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2016 (Unaudited)**

***Short-term loans to subsidiaries***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
CPRAM Co., Ltd.	-	-	3,000	2,900
CP Retailink Co., Ltd.	-	-	600	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,600</b>	<b>2,900</b>

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	-	-	2,900	-
Increases	-	-	707	970
Decreases	-	-	(7)	(800)
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>3,600</b>	<b>170</b>
<b>At 31 December</b>		<b>-</b>		<b>2,900</b>

At 30 June 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.

***Investment in related company***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
True GS Co., Ltd.	34	24	34	24
<b>Total</b>	<b>34</b>	<b>24</b>	<b>34</b>	<b>24</b>

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	24	24	24	24
Increases	10	-	10	-
<b>At 30 June</b>	<b>34</b>	<b>24</b>	<b>34</b>	<b>24</b>
<b>At 31 December</b>		<b>24</b>		<b>24</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

### Prepaid rental and service fees

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	179	194
<b>Total</b>	<b>-</b>	<b>-</b>	<b>209</b>	<b>224</b>

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

### Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Subsidiaries	-	-	1,575	1,440
Other related companies	5,010	5,593	3,667	4,159
<b>Total</b>	<b>5,010</b>	<b>5,593</b>	<b>5,242</b>	<b>5,599</b>

### Other accounts payable

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Subsidiaries	-	-	5,960	7,409
Other related companies	101	69	23	18
<b>Total</b>	<b>101</b>	<b>69</b>	<b>5,983</b>	<b>7,427</b>

**CP ALL Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2016 (Unaudited)**

*Non-cancellable operating lease commitments*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Within one year	96	131	51	104
After one year but within five years	124	101	-	-
After five years	156	180	-	-
<b>Total</b>	<b>376</b>	<b>412</b>	<b>51</b>	<b>104</b>

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 30 June 2016 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 2016. In consideration thereof, the Company agreed to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.
- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.
- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 3 years ending in December 2017. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.

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

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

#### **For the three-month and six-month periods ended 30 June 2016 (Unaudited)**

- (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.
- (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 June 2019.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

### 4 Trade accounts receivable

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		<i>(in million Baht)</i>			
Related parties	3	120	75	-	-
Other parties		685	800	104	127
<b>Total</b>		<b>805</b>	<b>875</b>	<b>104</b>	<b>127</b>
Less allowance for doubtful accounts		(19)	(21)	-	-
<b>Net</b>		<b>786</b>	<b>854</b>	<b>104</b>	<b>127</b>

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2016	2015	2016	2015
		<i>(in million Baht)</i>			
<b>Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the</b>					
- <b>three-month period ended 30 June</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
- <b>six-month period ended 30 June</b>		<b>(1)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>

Aging analyses for trade accounts receivable are as follows:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		<i>(in million Baht)</i>			
<b>Related parties</b>					
Within credit terms		98	37	-	-
Overdue:					
Less than 3 months		21	37	-	-
3 - 6 months		1	1	-	-
<b>Total</b>		<b>120</b>	<b>75</b>	<b>-</b>	<b>-</b>
Less allowance for doubtful accounts		(2)	(2)	-	-
<b>Net</b>	3	<b>118</b>	<b>73</b>	<b>-</b>	<b>-</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
Note	2016	2015	2016	2015
	(in million Baht)			
<b>Other parties</b>				
Within credit terms	520	643	104	127
Overdue:				
Less than 3 months	139	133	-	-
3 - 6 months	6	8	-	-
6 - 12 months	9	6	-	-
Over 12 months	11	10	-	-
<b>Total</b>	<b>685</b>	<b>800</b>	<b>104</b>	<b>127</b>
Less allowance for doubtful accounts	(17)	(19)	-	-
<b>Net</b>	<b>668</b>	<b>781</b>	<b>104</b>	<b>127</b>
<b>Grand total</b>	<b>786</b>	<b>854</b>	<b>104</b>	<b>127</b>

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

## 5 Investments in subsidiaries

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in million Baht)			
At 1 January	-	-	202,600	202,238
Increases	-	-	2,907	-
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>205,507</b>	<b>202,238</b>
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>202,600</b>	<b>202,600</b>

Details of the increase in investments in subsidiary during the six-month periods ended 30 June 2016 and 2015 were as follows:

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

### 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 and six-month periods ended 30 June 2016 (Unaudited)**

Investments in subsidiaries as at 30 June 2016 and 31 December 2015, and dividend income for the six-month periods ended 30 June 2016 and 2015 were as follows:

Name of parties	Type of business	Country of incorporation	Separate financial statements						Dividend income for the six-month period ended
			Ownership interest		Paid-up capital		At cost		
			30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	
			(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	714
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	-
									350

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 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 six-month period ended	
			30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	30 June 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 services	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. All Training Co., Ltd. OHT Co., Ltd. 24 Shopping Co., Ltd.	planning services	Thailand	99.99	99.99	1	1	1	1	-	15
	Training center	Thailand	99.99	99.99	1	1	1	1	-	10
	Training center	Thailand	99.99	99.99	1	1	1	1	-	565
	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	505	-
Thai Smart Card Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	-	-
	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	486	543
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	2,400	82,427	82,427	926	864
<b>Total</b>							<b>198,381</b>	<b>198,381</b>	<b>2,631</b>	<b>2,347</b>



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 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 six-month period ended
			30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	
			(%)		(in million US\$)		(in million Baht)		
<b>Foreign direct subsidiaries</b>									
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	.*	.*	.*	.*	-
<b>Total</b>							<b>7,126</b>	<b>4,219</b>	<b>-</b>
<b>Grand total</b>							<b>205,507</b>	<b>202,600</b>	<b>2,347</b>

\* As at 30 June 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 and six-month periods ended 30 June 2016 (Unaudited)**

Details of the Company's indirect subsidiaries as at 30 June 2016 and 31 December 2015 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests	
			30 June 2016	31 December 2015
			(%)	
<b><i>Local indirect subsidiaries</i></b>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	97.88
Makro ROH Co., Ltd	Providing technical and supporting services to the Group	Thailand	97.88	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
<b><i>Foreign indirect subsidiaries</i></b>				
Successor Investments Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100.00	100.00
Nanjing Zheng Yi Xin Trading Co., Ltd.	Commercial trading	The People's Republic of China	100.00	100.00
Successor (China) Investments Limited	Holding company	The People's Republic of China	100.00	100.00
Nanjing Tianqu Investment Management Co., Ltd.	Commercial trading, holding and educational institution	The People's Republic of China	100.00	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 and six-month periods ended 30 June 2016 (Unaudited)

### 6 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated financial statements			
	2016	2015	2016	2015
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in million Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land	650	-	539	-
Buildings, building and leasehold improvements	3,020	21	2,520	21
Machinery and equipment	2,472	11	1,967	9
Furniture, fixtures and office equipment	1,262	28	1,118	22
Assets under construction and installation	4,865	4,836	3,837	3,640
Other	497	3	390	2
<b>Total</b>	<b>12,766</b>	<b>4,899</b>	<b>10,371</b>	<b>3,694</b>

	Separate financial statements			
	2016	2015	2016	2015
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in million Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land	4	-	63	-
Buildings, building and leasehold improvements	927	11	857	16
Machinery and equipment	780	4	663	3
Furniture, fixtures and office equipment	1,021	24	716	22
Assets under construction and installation	1,303	944	1,533	1,126
Other	271	2	290	2
<b>Total</b>	<b>4,306</b>	<b>985</b>	<b>4,122</b>	<b>1,169</b>

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

### 7 Interest-bearing liabilities

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

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	11,881	14,726	9,000	11,000
Increases	-	2,010	-	-
Decreases	(3,684)	-	(5,900)	(1,000)
<b>At 30 June</b>	<b>8,197</b>	<b>16,736</b>	<b>3,100</b>	<b>10,000</b>
<b>At 31 December</b>		<b>11,881</b>		<b>9,000</b>

#### *Debentures*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 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
<b>Total</b>	<b>180,000</b>	<b>173,000</b>	<b>180,000</b>	<b>173,000</b>

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	173,000	140,000	173,000	140,000
Increases	7,000	33,000	7,000	33,000
<b>At 30 June</b>	<b>180,000</b>	<b>173,000</b>	<b>180,000</b>	<b>173,000</b>
<b>At 31 December</b>		<b>173,000</b>		<b>173,000</b>

#### *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 and six-month periods ended 30 June 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 30 June 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 119,671 million.

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

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
At 1 January	4,000	43,215	-	41,215
Decreases	-	(41,215)	-	(41,215)
<b>At 30 June</b>	<b>4,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
<b>At 31 December</b>		<b>4,000</b>		<b>-</b>

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 and six-month periods ended 30 June 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 and six-month periods ended 30 June 2016 (Unaudited)

Revenue and results, based on segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June 2016 and 2015 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(in million Baht)									
For the three-month period ended 30 June										
Revenue from sale of goods and rendering of services to external customers	65,652	58,129	42,903	37,934	7,505	6,699	(6,062)	(5,470)	109,998	97,292
Total income	72,943	63,506	43,073	38,090	7,707	6,840	(9,094)	(7,760)	114,629	100,676
Profit before income tax expense for the period	5,721	3,927	1,317	1,373	613	502	(2,605)	(1,918)	5,046	3,884
For the six-month period ended 30 June										
Revenue from sale of goods and rendering of services to external customers	126,870	112,987	85,273	77,522	14,800	13,010	(11,977)	(10,673)	214,966	192,846
Total income	137,886	121,956	85,651	77,866	15,235	13,271	(15,358)	(13,636)	223,414	199,457
Profit before income tax expense for the period	8,682	6,276	2,810	3,246	1,242	1,007	(2,630)	(2,357)	10,104	8,172

## CP ALL Public Company Limited and its Subsidiaries

### Notes to the interim financial statements

#### For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Assets, based on segments, in the consolidated financial statements at 30 June 2016 and 31 December 2015 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Segment assets	262,848	264,620	248,791	249,799	34,503	32,370	(219,375)	(217,706)	326,767	329,083
<i>(in million Baht)</i>										



# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 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 and six-month periods ended 30 June 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:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>For the three-month period ended 30 June</i>	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	<u>4,196</u>	<u>3,140</u>	<u>5,281</u>	<u>3,599</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 ( <i>in Baht</i> )	<u>0.47</u>	<u>0.35</u>	<u>0.59</u>	<u>0.40</u>
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>For the six-month period ended 30 June</i>	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	<u>8,261</u>	<u>6,548</u>	<u>7,714</u>	<u>5,610</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 ( <i>in Baht</i> )	<u>0.92</u>	<u>0.73</u>	<u>0.86</u>	<u>0.62</u>

### 11 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2016, the Company's shareholders approved the appropriation of 2015 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 2015. The dividends were paid to the Company's shareholders on 19 May 2016.

At the annual general meeting of the shareholders of the Company held on 23 April 2015, the Company's shareholders approved the appropriation of 2014 annual dividends of Baht 0.80 per share for 8,983,101,348 ordinary shares, totaling Baht 7,186 million, from the profit attributable to equity holders of the Company for the year 2014. The dividends were paid to the Company's shareholders on 20 May 2015.

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

### 12 Supplemental disclosures of cash flows information

Details of property, plant and equipment paid by cash during the six-month periods ended 30 June 2016 and 2015 were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in million Baht)</i>			
Increases during the period	6	12,766	10,371	4,306	4,122
Less - changes in payables		212	349	(48)	(158)
- assets under finance leases		(3)	(1)	-	-
- transfers from assets under construction and installation		(4,836)	(3,636)	(944)	(1,126)
<b>Purchase and paid by cash</b>		<b>8,139</b>	<b>7,083</b>	<b>3,314</b>	<b>2,838</b>

### 13 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
	<i>(in million Baht)</i>			
<b>As at 30 June 2016</b>				
<b><i>Financial assets/Financial liabilities not measured at fair value</i></b>				
<b><i>Current</i></b>				
Debentures	25,427	25,660	25,427	25,660
Finance lease liabilities	83	128	-	-
<b><i>Non-current</i></b>				
Debentures	154,573	164,595	154,573	164,595
Long-term borrowings from financial institutions	4,000	4,071	-	-
Finance lease liabilities	485	562	-	-
Accrued guarantee deposits	3,200	2,693	3,083	2,576

# CP ALL Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in million Baht)</i>			
<b>As at 31 December 2015</b>				
<b>Financial assets/Financial liabilities not measured at fair value</b>				
<b>Current</b>				
Debentures	11,841	12,050	11,841	12,050
Finance lease liabilities	80	128	-	-
<b>Non-current</b>				
Debentures	161,159	170,106	161,159	170,106
Long-term borrowings from financial institutions	4,000	4,056	-	-
Finance lease liabilities	525	607	-	-
Accrued guarantee deposits	3,064	2,522	2,961	2,412

As at 30 June 2016 and 31 December 2015 the Group had total forward currency contracts as follows:

		Consolidated financial statements	
		30 June 2016	31 December 2015
Foreign currency		<i>(in million)</i>	
<b>Forward currency contracts - to buy</b>	Yen	1,245.3	3,026.3
	United States Dollars	21.1	29.5
	Euro	2.9	2.8
	Pound Sterling	0.4	0.4
	Australian Dollars	0.1	0.2
<b>Forward currency contracts - to sell</b>	United States Dollars	0.8	0.7
	Swiss Franc	0.3	0.2
	Pound Sterling	0.1	0.2

As at 30 June 2016 the fair value of forward currency contracts - to buy and forward currency contracts - to sell amounting to Baht 1,301 million and Baht 43 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 and six-month periods ended 30 June 2016 (Unaudited)**

**14 Commitments with non-related parties**

*Capital commitments*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 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)	768	1,671	-	-
<b>Total</b>	<b>768</b>	<b>1,671</b>	<b>-</b>	<b>-</b>

*Non-cancellable operating lease commitments*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Within one year	5,259	4,979	4,814	4,548
After one year but within five years	7,525	7,070	6,084	5,672
After five years	5,692	6,270	2,187	2,219
<b>Total</b>	<b>18,476</b>	<b>18,319</b>	<b>13,085</b>	<b>12,439</b>

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

*Other commitments*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	1,053	1,000	-	-
<b>Total</b>	<b>1,053</b>	<b>1,000</b>	<b>-</b>	<b>-</b>

*Letters of guarantee*

As at 30 June 2016 the Group had commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, lease agreements and others totaling Baht 1,227 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**  
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**For the three-month and six-month periods ended 30 June 2016 (Unaudited)**

***Significant agreements***

As at 30 June 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 ("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 ("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 of 6 months, and will expire on various dates until December 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 January 2021. 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 and six-month periods ended 30 June 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 July 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.

## **15 Contingent liability**

As at 30 June 2016 the Company had contingently liable to a legal case with a fund (“the plaintiff”), 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.

Subsequently, on 13 July 2016 the civil court read the appeal court’s judgment on the legal case. The appeal court dismissed the claim according to the Company did not commit a wrongful act against the plaintiff. Therefore, the Company does not have a liability to pay the claimed damages in accordance to the first instance court’s judgment. Accordingly, no provision has been made in the interim financial statements for the three-month and six-month periods ended 30 June 2016.

As for further legal proceedings, if the plaintiff does not file a petition with the supreme court within the procedures and period as prescribed by law, this case will be deemed final. However, if the plaintiff files a petition with the supreme court, this case will be further proceeded in accordance with procedures of the supreme court.

## **16 Event after the reporting period**

At the board of directors’ meeting of a local subsidiary (Siam Makro Public Company Limited) held on 8 August 2016, the subsidiary’s board of directors approved the payment of interim dividends from the net profit after income tax for the six-month period ended on 30 June 2016 of Baht 0.36 per share for 4,800 million ordinary shares, totaling Baht 1,728 million, and the dividends will be paid to shareholders during the third quarter of 2016.

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

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

**For the three-month and six-month periods ended 30 June 2016 (Unaudited)**

### **17 Thai Financial Reporting Standards not yet adopted**

FAP Announcement No. 5/2559 Accounting Guidance for derecognition of financial assets and financial liabilities has been issued but are not yet effective and has not been applied in preparing these interim financial statements. This FAP Announcement may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017. The Group does not plan to adopt these FAP Announcement early. Management has made a preliminary assessments of the potential initial impact on the consolidated and separate financial statements and expects that there will be no material impact on the financial statements in the period of initial application.