

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

Interim financial statements
for the three-month period ended
31 March 2015

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 2015; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2015; 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".



Emphasis of Matter

Without qualifying my conclusion, I draw attention to note 4 to the interim financial statements. Following the completion of a business combination through the purchase of shares and a tender offering on 26 June 2013 and on 5 August 2013 respectively made by the Company, the Company has updated the fair values of the identifiable assets acquired and liabilities assumed based upon the final appraisal reports dated 23 April 2014 from the independent appraiser; and other necessary information obtained within one year from the business combination date. As a result, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2014 have been restated accordingly.

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
12 May 2015

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
		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		19,069,567	32,204,375	11,552,727	24,864,030
Current investments		1,222,000	1,232,027	-	-
Trade accounts receivable	5, 6	705,439	910,176	103,125	122,047
Other accounts receivable	5	1,853,727	1,807,624	1,948,077	2,008,534
Inventories	5	22,111,368	22,167,148	10,667,883	10,242,335
Other current assets	5	5,470,877	6,362,798	3,820,362	4,215,346
Total current assets		50,432,978	64,684,148	28,092,174	41,452,292
Non-current assets					
Investments in subsidiaries	7	-	-	202,237,832	202,237,832
Investment in related company		24,000	24,000	24,000	24,000
Other long-term investments		412	100,412	-	100,000
Investment properties		333,200	333,200	-	-
Property, plant and equipment	5, 8	82,040,383	80,201,061	20,527,040	20,035,595
Goodwill	4	126,072,806	126,072,806	-	-
Leasehold rights		2,899,872	2,650,672	406,471	395,299
Other intangible assets	4, 5	49,777,240	49,665,431	826,569	709,706
Deferred tax assets		663,241	662,236	283,392	280,789
Other non-current assets	5	2,155,790	2,016,079	2,055,415	1,948,094
Total non-current assets		263,966,944	261,725,897	226,360,719	225,731,315
Total assets		314,399,922	326,410,045	254,452,893	267,183,607

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
		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current liabilities					
Overdrafts and short-term					
borrowings from financial					
institutions	9	4,850,314	14,726,390	-	11,000,000
Trade accounts payable	5	54,722,184	59,311,726	29,788,162	31,215,969
Other accounts payable	5	2,819,268	3,518,817	6,623,880	8,156,611
Current portion of finance lease					
liabilities		62,326	60,800	-	-
Current portion of long-term					
borrowings from financial					
institutions	9	5,733,000	4,914,000	5,733,000	4,914,000
Income tax payable		1,387,835	793,054	201,910	1,439
Other current liabilities		8,325,072	8,690,014	5,057,879	5,574,027
Total current liabilities		77,899,999	92,014,801	47,404,831	60,862,046
Non-current liabilities					
Debentures	9	160,000,000	140,000,000	160,000,000	140,000,000
Long-term borrowing from					
financial institutions	9	16,867,881	38,301,131	14,867,881	36,301,131
Finance lease liabilities		461,437	477,979	-	-
Employee benefit obligations		1,775,969	1,709,914	959,660	926,628
Accrued guarantee deposits		3,383,181	3,270,769	3,269,372	3,153,744
Deferred tax liabilities	4	15,285,418	15,304,181	-	-
Other non-current liabilities		271,151	273,430	-	-
Total non-current liabilities		198,045,037	199,337,404	179,096,913	180,381,503
Total liabilities		275,945,036	291,352,205	226,501,744	241,243,549

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
		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Equity					
Share capital					
Authorised share capital		<u>8,986,296</u>	<u>8,986,296</u>	<u>8,986,296</u>	<u>8,986,296</u>
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		23,940,444	20,532,100	16,383,731	14,372,640
Other components of equity		<u>(1,365,797)</u>	<u>(1,317,312)</u>	<u>-</u>	<u>-</u>
Equity attributable to equity					
holders of the Company		34,142,065	30,782,206	27,951,149	25,940,058
Non-controlling interests		<u>4,312,821</u>	<u>4,275,634</u>	<u>-</u>	<u>-</u>
Total equity		<u>38,454,886</u>	<u>35,057,840</u>	<u>27,951,149</u>	<u>25,940,058</u>
Total liabilities and equity		314,399,922	326,410,045	254,452,893	267,183,607

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>	2015	2014	2015	2014
		(Restated)			
		<i>(in thousand Baht)</i>			
Income	5				
Revenue from sale of goods and rendering of services		95,553,652	86,158,017	54,857,355	49,895,288
Interest income		64,866	67,618	33,885	50,663
Dividend income		31	26	374,999	589,998
Net foreign exchange gain		-	176,962	-	168,799
Other income		3,162,157	2,923,276	3,183,844	2,980,452
Total income		98,780,706	89,325,899	58,450,083	53,685,200
Expenses	5				
Cost of sale of goods and rendering of services		75,124,884	68,151,816	39,687,987	36,239,015
Selling expenses	4	14,153,287	12,357,601	11,892,062	10,558,289
Administrative expenses	4	2,932,172	4,072,415	2,311,865	3,544,096
Net foreign exchange loss		19,335	-	600	-
Finance costs		2,263,162	1,345,661	2,207,872	1,315,951
Total expenses		94,492,840	85,927,493	56,100,386	51,657,351
Profit before income tax expense		4,287,866	3,398,406	2,349,697	2,027,849
Income tax expense	4, 11	842,338	669,794	338,606	242,138
Profit for the period		3,445,528	2,728,612	2,011,091	1,785,711
Profit attributable to:					
Equity holders of the Company		3,408,344	2,698,993	2,011,091	1,785,711
Non-controlling interests		37,184	29,619	-	-
Profit for the period		3,445,528	2,728,612	2,011,091	1,785,711
Basic earnings per share (Baht)	12	0.38	0.30	0.22	0.20

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		Separate	
	financial statements		financial statements	
	For the three-month		For the three-month	
	period ended 31 March		period ended 31 March	
	2015	2014	2015	2014
	(Restated)			
	(in thousand Baht)			
Profit for the period	3,445,528	2,728,612	2,011,091	1,785,711
Other comprehensive income				
<i>Item that is or may be reclassified to profit or loss</i>				
Currency translation differences	(48,481)	(97,952)	-	-
Other comprehensive income for the period	(48,481)	(97,952)	-	-
Total comprehensive income for the period	3,397,047	2,630,660	2,011,091	1,785,711
Total comprehensive income attributable to:				
Equity holders of the Company	3,359,859	2,601,028	2,011,091	1,785,711
Non-controlling interests	37,188	29,632	-	-
Total comprehensive income for the period	3,397,047	2,630,660	2,011,091	1,785,711

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				Total equity	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Differences on			Equity attributable to equity holders of the Company
					Currency translation differences	acquisition of non-controlling interests		
<i>(in thousand Baht)</i>								
For the three-month period ended 31 March 2015								
Balance at 1 January 2015	8,983,101	1,684,317	900,000	20,532,100	(174,726)	(1,142,586)	30,782,206	
Transactions with equity holders, recorded directly in equity								
<i>Distributions to equity holders</i>								
Dividends	-	-	-	-	-	-	-	
Total transactions with equity holders, recorded directly in equity	-	-	-	-	-	-	-	
Comprehensive income for the period								
Profit	-	-	-	3,408,344	-	-	3,408,344	
Other comprehensive income	-	-	-	-	(48,485)	-	(48,485)	
Total comprehensive income for the period	-	-	-	3,408,344	(48,485)	-	3,359,859	
Balance at 31 March 2015	8,983,101	1,684,317	900,000	23,940,444	(223,211)	(1,142,586)	34,142,065	

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

Consolidated financial statements (Restated)

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				
	Retained earnings				Total equity
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	
	(in thousand Baht)				
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
For the three-month period ended 31 March 2014					
Balance at 1 January 2014	8,983,101	1,684,317	900,000	13,779,742	25,347,160
Comprehensive income for the period					
Profit	-	-	-	1,785,711	1,785,711
Total comprehensive income for the period	-	-	-	1,785,711	1,785,711
Balance at 31 March 2014	8,983,101	1,684,317	900,000	15,565,453	27,132,871

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 three-month		For the three-month	
		period ended 31 March		period ended 31 March	
Note		2015	2014	2015	2014
			(Restated)		
			(in thousand Baht)		
Cash flows from operating activities					
Profit for the period		3,445,528	2,728,612	2,011,091	1,785,711
Adjustments for					
Depreciation		1,552,956	1,329,106	981,519	873,691
Amortisation of leasehold rights		54,489	49,893	25,340	24,790
Amortisation of other intangible assets		96,480	88,183	33,932	27,191
Interest income		(64,866)	(67,618)	(33,885)	(50,663)
Dividend income		(31)	(26)	(374,999)	(589,998)
Finance costs		2,263,162	1,345,661	2,207,872	1,315,951
Income tax expense		842,338	669,794	338,606	242,138
Provision for employees' severance pay		79,395	61,508	42,000	30,000
Allowance for losses on slow-moving inventories (reversal of allowance for losses on slow-moving inventories)		(78,245)	300	(20,015)	(3,929)
Reversal of impairment losses on property, plant and equipment		(1,392)	(12,213)	-	-
Reversal of allowance for doubtful accounts	6	(6,327)	(13)	-	-
Unrealised (gain) loss on exchange		(6,166)	(44,249)	601	(68,341)
Loss on disposal and write-off of property, plant and equipment		4,397	3,759	1,150	7,535
Gain on disposal of leasehold rights		(2,713)	(2,184)	(2,713)	(2,184)
		8,179,005	6,150,513	5,210,499	3,591,892
Changes in operating assets and liabilities					
Trade accounts receivable		211,386	160,499	18,922	5,312
Other accounts receivable		(46,640)	146,601	60,066	247,747
Inventories		133,856	(8,259)	(405,533)	(8,455)
Other current assets		825,730	(225,854)	428,476	(22,366)
Other non-current assets		(162,376)	(474,473)	(107,321)	(32,180)
Trade accounts payable		(4,589,449)	(5,115,399)	(1,427,807)	(762,968)
Other accounts payable		(35,444)	(447,573)	(1,433,878)	(3,194,342)
Other current liabilities		(152,763)	(829,107)	(388,586)	(1,128,327)
Employee benefit obligations paid		(13,340)	(42,569)	(8,968)	(4,894)

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	
<i>Note</i>	2015	2014	2015	2014
	(Restated)			
	(in thousand Baht)			
Accrued guarantee deposits	112,412	119,771	115,628	120,392
Other non-current liabilities	2,881	(286)	-	-
Cash generated from (used in) operating activities	4,465,258	(566,136)	2,061,498	(1,188,189)
Income tax paid	(266,574)	(237,719)	(140,726)	(130,976)
Net cash provided by (used in) operating activities	4,198,684	(803,855)	1,920,772	(1,319,165)
<i>Cash flows from investing activities</i>				
Interest received	37,795	59,685	2,466	25,333
Dividends received	31	26	374,999	589,998
Purchase of current investments	(2,480,000)	(440,000)	-	-
Sale of current investments	2,489,657	440,000	-	-
Cash outflow on investments in subsidiaries	7	-	-	(30,000)
Cash inflow on other long-term investments	100,000	-	100,000	-
Cash outflow on long-term loans to subsidiary	-	-	-	(200,000)
Purchase of property, plant and equipment	13	(3,981,116)	(1,449,989)	(2,026,312)
Sale of property, plant and equipment	15,274	48,700	13,330	35,511
Purchase of leasehold rights	(308,715)	(165,081)	(38,383)	(25,798)
Sale of leasehold rights	2,891	2,467	2,891	2,467
Purchase of other intangible assets	(235,501)	(66,373)	(183,104)	(71,119)
Sale of other intangible assets	3,799	5,059	-	5,059
Net cash used in investing activities	(4,355,885)	(3,771,134)	(1,177,790)	(1,694,861)

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		2015	2014	2015	2014
			(Restated)		
		(in thousand Baht)			
Cash flows from financing activities					
Interest paid		(2,450,630)	(783,741)	(2,439,434)	(781,929)
Dividends paid to non-controlling interests		(1)	(2)	-	-
Finance lease payments		(26,320)	(14,805)	-	-
Repayment of short-term borrowings from financial institutions	9	(9,876,076)	(131,915,205)	(11,000,000)	(131,976,631)
Proceeds from issue of debentures	9	20,000,000	40,000,000	20,000,000	40,000,000
Proceeds from long-term borrowings from financial institutions	9	-	93,346,925	-	93,346,925
Repayment of long-term borrowings from financial institutions	9	(20,614,250)	-	(20,614,250)	-
Net cash provided by (used in) financing activities		(12,967,277)	633,172	(14,053,684)	588,365
Net decrease in cash and cash equivalents		(13,124,478)	(3,941,817)	(13,310,702)	(2,425,661)
Cash and cash equivalents at beginning of period		32,204,375	24,632,253	24,864,030	15,642,314
Effect of exchange rate changes on balances held in foreign currencies		(10,330)	(17,325)	(601)	(1,442)
Cash and cash equivalents at end of period		19,069,567	20,673,111	11,552,727	13,215,211

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 2015 (Unaudited)

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CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (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 12 May 2015.

1 General information

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

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

The ultimate parent company of the Company and its subsidiaries (together referred to as the “Group”) during the financial 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 2015 was 8,334 stores (31 December 2014: 8,127 stores).

	31 March 2015	31 December 2014
	(number of stores)	
The Company owns and manages convenience stores	3,684	3,570
The Company franchises the license to other retailers		
- under management agreements	4,006	3,916
- under sub-license agreements	644	641
Total	8,334	8,127

Details of the Company’s subsidiaries as at 31 March 2015 and 31 December 2014 are given in note 7 to the interim financial statements.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2014) *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 2014. 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 2014.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2015 (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 2014 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 2015. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company except as disclosed in note 3 to the interim financial statements.

(b) *Functional and presentation currency*

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

(c) *Use of estimates and judgements*

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2014. Changes principally derive from the adoption of new and revised TFRS from 1 January 2015.

Estimates

Measurement of defined benefit obligations

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

3 Changes in accounting policies

(a) *Overview*

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2 to the interim financial information, the Group has adopted the revised TFRS having an effect on the Group's interim financial statements is TAS 19 (revised 2014) *Employee Benefits*.

The other issued and revised TFRS did not have any impact on the accounting policies, financial position and performance of the Group. Details of the changes in accounting policy consequent to the adoption of this revised TFRS is included in note 3(b) to the interim financial statements.

(b) *Defined benefit plans*

As a result of TAS 19 (revised 2014), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit and actuarial gains and losses recognition.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2015 (Unaudited)

TAS 19 (revised 2014) requires actuarial gains and losses to be recognised in other comprehensive income, and no longer permits recognition in profit or loss. The Group has accordingly changed its accounting policy in this regard with retrospective effect which did not have any effect on the interim financial statements for the three-month period ended 31 March 2015 and comparative financial statements.

4 Business combinations

As at 31 March 2015 the Company held shares in OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited ("Makro") by the followings: (a) the share acquisition from SHV Nederland B.V. on 26 June 2013; (b) tender offering of Makro shares which was completed on 5 August 2013; and (c) an existing interest in Makro.

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
OHT Co., Ltd.						
- Ordinary shares	61,250	90.57	-	-	61,250	90.57
- Preferred shares ⁽¹⁾	63,748	9.42	-	-	63,748	9.42
Total	124,998	99.99	-	-	124,998	99.99
Siam Makro Holding (Thailand) Ltd.						
- Ordinary shares	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
Total	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
Siam Makro Public Company Limited						
- Ordinary shares	2,057,846,700	42.87	2,640,302,800	55.01	4,698,149,500	97.88
Total	2,057,846,700	42.87	2,640,302,800	55.01	4,698,149,500	97.88

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

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

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

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Consideration transferred

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

Identifiable assets acquired and liabilities assumed

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

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

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Details of the restated transactions are as follows:

	Consolidated financial statements		
	As previously reported	Increase (decrease) (in million Baht)	Restated
<i>For the three-month period ended 31 March 2014</i>			
<i>Consolidated statement of income</i>			
Selling expenses	12,263	95	12,358
Administrative expenses	4,186	(114)	4,072
Income tax expense	643	27	670
Profit for the period	2,736	(8)	2,728
Profit attributable to:			
Equity holders of the Company	2,705	(6)	2,699
Non-controlling interests	31	(2)	29
<i>Consolidated statement of comprehensive income</i>			
Total comprehensive income for the period	2,638	(8)	2,630
Total comprehensive income attributable to:			
Equity holders of the Company	2,607	(6)	2,601
Non-controlling interests	31	(2)	29
<i>Consolidated statement of changes in equity</i>			
Unappropriated retained earnings	21,202	(40)	21,162
Non-controlling interests	4,258	(5)	4,253

5 Related parties

For the purposes of these interim financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the 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 7 to the interim financial statements. Relationships with key management and other related parties were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited	Thailand	Ultimate parent company of the Group and 1 common director
Charoen Pokphand Foods Public Company Limited	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

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

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

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

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Significant transactions for the three-month periods ended 31 March 2015 and 2014 with related parties were as follows:

<i>For the three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	2	2	2	2
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	139	172
Interest income	-	-	-	20
Dividend income	-	-	375	590
Other income	-	-	269	244
Selling expenses	-	-	292	228
Administrative expenses	-	-	434	355
Purchases of goods and services	-	-	3,561	3,040
Purchases of property, plant and equipment and other intangible assets	-	-	492	450
Interest expense	-	-	-	1
Related companies				
Revenue from sale of goods and rendering of services	361	357	174	170
Other income	130	209	132	208
Selling expenses	10	2	-	-
Administrative expenses	110	103	81	80
Purchases of goods and services	6,631	6,142	5,674	5,431
Purchases of property, plant and equipment and other intangible assets	3	1	3	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefit	141	141	89	89
Severance pay for employees	8	7	3	4
Total key management benefit expenses	149	148	92	93

Balances as at 31 March 2015 and 31 December 2014 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Related companies	77	130	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
Net	75	128	-	-

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	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Subsidiaries	-	-	227	334
Related companies	171	219	166	215
Total	<u>171</u>	<u>219</u>	<u>393</u>	<u>549</u>

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Prepaid rental and service fees

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	216	224
Total	<u>-</u>	<u>-</u>	<u>246</u>	<u>254</u>

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

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Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	(in million Baht)			
Subsidiaries	-	-	1,163	1,115
Related companies	4,068	5,561	3,189	4,431
Total	4,068	5,561	4,352	5,546

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	(in million Baht)			
Subsidiaries	-	-	5,668	6,956
Related companies	76	51	18	18
Total	76	51	5,686	6,974

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	(in million Baht)			
Within one year	125	112	107	107
After one year but within five years	88	111	36	105
Total	213	223	143	212

The Group has lease agreements covering lease of buildings, vehicles and other assets for periods of 3 to 5 years, which will expire between 2016 to 2020.

Significant agreements with related parties

As at 31 March 2015 the Group had the following significant agreements with related parties.

- (a) The Company has a service agreement with Charoen Pokphand Group Company Limited, the ultimate parent company, covering technical advisory, management, technical assistances and right to use the trademark and services of the ultimate parent company for a period of 1 year ending in December 2015. In consideration thereof, the Company agreed to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.

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- (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 2015. 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.

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For the three-month period ended 31 March 2015 (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 its sales 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.

(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

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2015	31 December 2014	31 March 2015	31 December 2014
		<i>(in million Baht)</i>			
Related parties	5	77	130	-	-
Other parties		649	807	103	122
Total		726	937	103	122
Less allowance for doubtful accounts		(21)	(27)	-	-
Net		705	910	103	122

		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Reversal of allowance for doubtful accounts for the three-month period ended 31 March		(6)	-	-	-

Aging analyses for trade accounts receivable are as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2015	31 December 2014	31 March 2015	31 December 2014
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		64	97	-	-
Overdue:					
Less than 3 months		13	31	-	-
3 - 6 months		-	1	-	-
6 - 12 months		-	1	-	-
Total		77	130	-	-
Less allowance for doubtful accounts		(2)	(2)	-	-
Net	5	75	128	-	-

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	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<i>Note</i>				
	<i>(in million Baht)</i>			
Other parties				
Within credit terms	505	633	103	122
Overdue:				
Less than 3 months	125	125	-	-
3 - 6 months	4	21	-	-
6 - 12 months	6	5	-	-
Over 12 months	9	23	-	-
Total	649	807	103	122
Less allowance for doubtful accounts	(19)	(25)	-	-
Net	630	782	103	122
Grand total	705	910	103	122

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

7 Investments in subsidiaries

Movements during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	-	-	202,238	202,208
Increase	-	-	-	30
At 31 March	-	-	202,238	202,238
At 31 December		-		202,238

Details of the increase in investments in subsidiaries during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
24 Shopping Co., Ltd.	-	-	-	30
Total	-	-	-	30

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Investments in subsidiaries as at 31 March 2015 and 31 December 2014, and dividend income for the three-month periods ended 31 March 2015 and 2014 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 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	
			(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	-

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Separate financial statements (Continued)									
Name of parties	Type of business	Country of incorporation	Ownership interest		Paid-up capital		At cost		Dividend income for the three-month period ended
			31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	
			(in million Baht)						
All Corporation Limited Dynamic Management Co., Ltd.	Holding company Logistics and distribution of merchandises services	Thailand	99.99	99.99	13	13	13	13	-
		Thailand	99.99	99.99	2	2	2	2	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	-
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	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
									590

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Separate financial statements (Continued)									
Name of parties	Type of business	Country of incorporation	Ownership interest		Paid-up capital		At cost		Dividend income for the three-month period ended
			31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	
			(%)		(in million US\$)		(in million Baht)		
<i>Foreign direct subsidiaries</i>									
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	116	116	3,857	3,857	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	-*	-*	-*	-*	-
Total					3,857	3,857	3,857	-	-
Grand total					202,238	202,238	202,238	375	590

* As at 31 March 2015 Albuera International Limited ("Albuera") had paid-up capital amounting to USD 1 and the Company invested in Albuera amounting to USD 1.

For the three-month period ended 31 March 2015 (Unaudited)

Name of parties	Type of business	Country of incorporation	Ownership interests	
			31 March 2015	31 December 2014
			(%)	
<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	-
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 Pujing 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	-

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8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements		Consolidated financial statements	
	2015		2014	
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value	Acquisition and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	486	-	728	-
Buildings, building and leasehold improvements	877	6	1,748	15
Machinery and equipment	942	3	832	9
Furniture, fixtures and office equipment	513	10	439	18
Assets under construction and installation	1,890	1,485	1,916	2,471
Other	190	1	496	8
Total	4,898	1,505	6,159	2,521

	Separate financial statements		Separate financial statements	
	2015		2014	
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value	Acquisition and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	63	-	-	-
Buildings, building and leasehold improvements	432	4	1,465	10
Machinery and equipment	260	-	330	7
Furniture, fixtures and office equipment	316	9	414	18
Assets under construction and installation	826	596	1,160	1,997
Other	186	1	473	8
Total	2,083	610	3,842	2,040

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9 Interest-bearing liabilities

Short-term borrowings from financial institutions

Movements during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	14,726	135,143	11,000	131,977
Decreases	(9,876)	(131,915)	(11,000)	(131,977)
At 31 March	4,850	3,228	-	-
At 31 December	14,726	14,726	11,000	11,000

Debentures

Movements during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	140,000	50,000	140,000	50,000
Increases	20,000	40,000	20,000	40,000
At 31 March	160,000	90,000	160,000	90,000
At 31 December	140,000	140,000	140,000	140,000

Debentures 1/2015

On 20 March 2015 the Company issued Baht 20,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of long-term borrowings from financial institutions, divided into:

- Debentures term of 2 years of Baht 9,850 million, fully repayable on 20 March 2017 and bearing interest at the fixed rate of 3.55% per annum.
- Debentures term of 5 years of Baht 10,150 million, fully repayable on 20 March 2020 and bearing interest at the fixed rate of 4.10% per annum.

These series of debentures have a credit rating of “A(tha)” updated by Fitch Ratings (Thailand) Limited on 2 March 2015 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 20 March 2015.

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.

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Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Current	5,733	4,914	5,733	4,914
Non-current	16,868	38,301	14,868	36,301
Total	22,601	43,215	20,601	41,215

Movements during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	43,215	-	41,215	-
Increases	-	93,347	-	93,347
Decreases	(20,614)	-	(20,614)	-
Unrealised gain on exchange rates from translation of outstanding borrowing balances of United States Dollars to Thai Baht	-	(44)	-	(44)
At 31 March	22,601	93,303	20,601	93,303
At 31 December		43,215		41,215

In this regard, the Group must comply with the specified covenants, such as to maintain leverage ratio of borrowing principal and interest, and to pledge Siam Makro Public Company Limited shares as stipulated in the agreements, etc.

Siam Makro Public Company Limited shares as at 31 March 2015, which were pledged in accordance with the conditions stipulated in the long-term borrowings agreements and the bond issuance, totaled 4,165 million shares. The fair value of those shares totaled Baht 148,893 million.

10 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

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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.

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Revenue and results, based on segments, in the consolidated financial statements for the three-month periods ended 31 March 2015 and 2014 were as follows:

	For the three-month periods ended 31 March								
	Convenience stores		Cash and carry		Other		Eliminate		Total
	2015	2014	2015	2014	2015	2014	2015	2014	
	(in million Baht)								
Revenue from sale of goods and rendering of services from external customers	54,857	49,895	39,588	35,218	6,311	5,364	(5,202)	(4,319)	86,158
Total income	58,450	53,685	39,776	35,371	6,431	5,470	(5,876)	(5,200)	89,326
Profit before income tax expense for the period	2,350	2,028	1,873	1,525	505	490	(440)	(645)	3,398

Assets, based on segments, in the consolidated financial statements at 31 March 2015 and 31 December 2014 were as follows:

	Convenience stores	Cash and carry	Other	Eliminate	Total
	31 March 2015	31 March 2015	31 March 2015	31 March 2015	31 March 2015
	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014
Segment assets	254,453	245,571	27,232	(212,856)	314,400
			28,412	(215,122)	326,410
			(in million Baht)		

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11 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.

12 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2015 and 2014 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	
	2015	2014	2015	2014
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	<u>3,408</u>	<u>2,699</u>	<u>2,011</u>	<u>1,786</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>0.38</u>	<u>0.30</u>	<u>0.22</u>	<u>0.20</u>

13 Supplemental disclosures of cash flows information

Details of property, plant and equipment paid by cash during the three-month periods ended 31 March 2015 and 2014 were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Increase during the period	8	4,898	6,159	2,083	3,842
Less - changes in payables		567	75	(37)	181
- assets under finance leases		1	(109)	-	-
- transfers from assets under construction and installation		<u>(1,485)</u>	<u>(2,469)</u>	<u>(596)</u>	<u>(1,997)</u>
Purchase and paid by cash		<u>3,981</u>	<u>3,656</u>	<u>1,450</u>	<u>2,026</u>

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14 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Contracted but not provided for (construction costs of new plants, installation costs of machinery, and computer system development costs)	1,826	2,106	-	-
Total	1,826	2,106	-	-

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Within one year	4,769	4,663	4,357	4,253
After one year but within five years	9,369	8,927	7,949	7,577
After five years	3,871	3,186	-	-
Total	18,009	16,776	12,306	11,830

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

Other commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	18	25	-	-
Total	18	25	-	-

Letters of guarantee

As at 31 March 2015 the Group has commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, lease agreements and others totaling Baht 1,109 million and USD 0.3 million (31 December 2014: Baht 880 million and USD 0.3 million).

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Significant agreements

As at 31 March 2015 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 91 days to 18 months, and will expire on various dates until November 2015.
- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, 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 March 2018. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.

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- (f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies (“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 March 2018. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary, CP Retailink Co., Ltd., has repair and maintenance management service agreements with local companies (“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 31 March 2015 the Company had a legal case, which the Company is a defendant in a lawsuit involving the compliance with Tender Offer Rules. The court of first instance had a judgement 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. As at the date in this report, the Company is in the process of appeal the court’s judgement. 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 2015.

16 Events after the reporting period

- 16.1 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 million ordinary shares, totaling Baht 7,186 million, from the profit attributable to equity holders of the Company for the year 2014. The Company will pay these dividends to the Company’s shareholders on 20 May 2015.
- 16.2 At the annual general shareholders’ meeting of a local subsidiary (Siam Makro Public Company Limited) held on 24 April 2015, the subsidiary’s shareholders approved the following significant resolutions:
 - To declare the final dividend payment for the year 2014 at Baht 0.42 per share for 4,800 million ordinary shares, totaling Baht 2,016 million, which the subsidiary will pay to the shareholders in May 2015.
 - To issue and offer debentures in the aggregate amount of not exceeding Baht 20,000 million or its equivalence (the calculation based on the foreign exchange rate on the date of offering the debentures). The currency, tenor, interest rate, and other conditions of debentures issuance will be determined based upon the prevailing market conditions at the time of issuing and offering the debentures. This is solely for the purposes of financing the long-term capital investments, business expansion, debt repayment, refinancing and/or working capital and for the subsidiary’s general business purposes. Each debenture issuance and offer will be subject to prior the subsidiary’s Board’s approval.

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- 16.3 In April 2015, Lamphun store of a local subsidiary (Siam Makro Public Company Limited) was damaged by the summer thunderstorm. In this regards, the subsidiary is currently surveying the damage to assets in the store, and claiming the compensation from the insurance company. The subsidiary's management believes that the subsidiary will receive compensation from the insurance company, which is covering all damages to its assets.