

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

Interim financial statements
for the three-month and six-month periods ended
30 June 2014

and

Independent Auditor's Report
on Review of Interim Financial Information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of CP ALL Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 30 June 2014; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2014; the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2014; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

Without qualifying my conclusion, I draw attention to note 4 to the interim financial statements. Following the completion of business combinations 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 statement of financial position as at 31 December 2013 and the consolidated statements of changes in equity for the six-month period ended 30 June 2013 and for the year ended 31 December 2013 have been restated accordingly.

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
6 August 2014

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	2014	2013	2014	2013
		(Unaudited)	(Restated)	(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		14,859,677	24,632,253	9,641,205	15,642,314
Current investments		1,152,000	1,050,000	-	-
Trade accounts receivable	5, 6	782,012	848,215	124,527	119,444
Other accounts receivable	5	1,296,481	1,576,451	1,614,586	1,980,311
Inventories	5	19,609,044	19,915,860	8,999,229	9,219,368
Other current assets	5	6,075,107	5,939,798	3,822,942	4,024,187
Total current assets		43,774,321	53,962,577	24,202,489	30,985,624
Non-current assets					
Investments in subsidiaries	7	-	-	202,237,832	202,207,832
Investment in related company		24,000	24,000	24,000	24,000
Other long-term investments		101,112	101,112	100,700	100,700
Long-term loans to subsidiary	5	-	-	1,900,000	1,600,000
Investment properties		333,200	333,200	-	-
Property, plant and equipment	5, 8	74,919,953	71,272,531	19,569,821	18,342,901
Goodwill	4	126,072,806	126,072,806	-	-
Leasehold rights		2,344,755	1,952,614	369,403	381,944
Other intangible assets	4, 5	48,370,353	48,329,611	629,756	633,987
Deferred tax assets	9	543,373	344,286	252,229	54,539
Other non-current assets	5	2,044,898	1,614,873	1,866,469	1,797,633
Total non-current assets		254,754,450	250,045,033	226,950,210	225,143,536
Total assets		298,528,771	304,007,610	251,152,699	256,129,160

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	
		30 June	31 December	30 June	31 December
		2014	2013	2014	2013
		(Unaudited)	(Restated)	(Unaudited)	
(in thousand Baht)					
Current liabilities					
Overdrafts and short-term borrowings from financial institutions	10	7,184,521	135,143,341	3,000,000	131,976,631
Trade accounts payable	5	48,383,932	54,734,078	26,197,180	27,618,149
Other accounts payable	5	2,283,977	2,976,465	7,092,756	10,412,533
Short-term borrowing from subsidiary	5, 10	-	-	2,334,060	2,359,177
Current portion of finance lease liabilities	10	35,946	27,870	-	-
Income tax payable		1,012,115	633,641	352,866	-
Other current liabilities		6,641,588	7,282,882	3,982,267	4,538,996
Total current liabilities		65,542,079	200,798,277	42,959,129	176,905,486
Non-current liabilities					
Debentures	10	90,000,000	50,000,000	90,000,000	50,000,000
Long-term borrowings from financial institutions	10	92,695,260	-	92,695,260	-
Finance lease liabilities	10	314,286	165,513	-	-
Employee benefit obligations		1,558,996	1,485,752	868,808	818,562
Accrued guarantee deposits		3,275,654	3,174,332	3,159,706	3,057,952
Deferred tax liabilities	4, 9	15,341,537	15,379,416	-	-
Other non-current liabilities		35,996	34,181	-	-
Total non-current liabilities		203,221,729	70,239,194	186,723,774	53,876,514
Total liabilities		268,763,808	271,037,471	229,682,903	230,782,000

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	
		30 June	31 December	30 June	31 December
		2014	2013	2014	2013
		(Unaudited)	(Restated)	(Unaudited)	
		(in thousand Baht)			
Equity					
Share capital					
Authorised share capital		8,986,296	8,986,296	8,986,296	8,986,296
Issued and paid-up share capital		8,983,101	8,983,101	8,983,101	8,983,101
Additional paid-in capital					
Premium on ordinary shares		1,684,317	1,684,317	1,684,317	1,684,317
Retained earnings					
Appropriated					
Legal reserve		900,000	900,000	900,000	900,000
Unappropriated	4	15,328,895	18,463,123	9,902,378	13,779,742
Other components of equity		(1,380,090)	(1,283,669)	-	-
Equity attributable to equity					
holders of the Company		25,516,223	28,746,872	21,469,796	25,347,160
Non-controlling interests	4	4,248,740	4,223,267	-	-
Total equity		29,764,963	32,970,139	21,469,796	25,347,160
Total liabilities and equity		298,528,771	304,007,610	251,152,699	256,129,160

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 30 June		period ended 30 June	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Income	5				
Revenue from sale of goods and rendering of services		88,945,118	51,081,934	52,959,570	50,021,957
Interest income		61,318	151,900	58,002	103,881
Dividend income		26	411	1,489,360	578,889
Net foreign exchange gain		1,262	-	-	-
Gain on changes in fair value of investment		-	71,702	-	-
Other income		3,126,178	2,326,848	3,168,493	2,443,960
Total income		92,133,902	53,632,795	57,675,425	53,148,687
Expenses	5				
Cost of sale of goods and rendering of services		70,030,538	37,655,206	38,197,741	36,913,966
Selling expenses		14,133,158	10,551,328	12,142,869	10,636,734
Administrative expenses		2,752,164	2,072,594	2,357,503	2,107,215
Net foreign exchange loss		-	34,449	6,588	67,134
Finance costs		2,397,968	127,413	2,369,539	127,397
Total expenses		89,313,828	50,440,990	55,074,240	49,852,446
Profit before income tax expense		2,820,074	3,191,805	2,601,185	3,296,241
Income tax expense	12	542,107	534,474	179,469	467,164
Profit for the period		2,277,967	2,657,331	2,421,716	2,829,077
Profit attributable to:					
Equity holders of the Company		2,251,570	2,649,212	2,421,716	2,829,077
Non-controlling interests		26,397	8,119	-	-
Profit for the period		2,277,967	2,657,331	2,421,716	2,829,077
Basic earnings per share (Baht)	13	0.25	0.29	0.27	0.31

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 30 June		period ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Profit for the period	2,277,967	2,657,331	2,421,716	2,829,077
Other comprehensive income				
Currency translation differences	1,545	283,823	-	-
Other comprehensive income for the period	1,545	283,823	-	-
Total comprehensive income for the period	2,279,512	2,941,154	2,421,716	2,829,077
Total comprehensive income attributable to:				
Equity holders of the Company	2,253,114	2,933,035	2,421,716	2,829,077
Non-controlling interests	26,398	8,119	-	-
Total comprehensive income for the period	2,279,512	2,941,154	2,421,716	2,829,077

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 six-month		For the six-month	
		period ended 30 June		period ended 30 June	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<i>Income</i>	5				
Revenue from sale of goods and rendering of services		175,103,135	101,521,048	102,854,858	99,514,999
Interest income		128,936	356,303	108,665	270,790
Dividend income		52	430	2,079,358	578,889
Net foreign exchange gain		178,224	-	162,211	-
Gain on changes in fair value of investment		-	71,702	-	-
Other income		6,049,454	4,585,251	6,148,945	4,822,593
Total income		181,459,801	106,534,734	111,354,037	105,187,271
<i>Expenses</i>	5				
Cost of sale of goods and rendering of services		138,182,354	75,044,083	74,436,756	73,769,936
Selling expenses		26,490,759	20,287,572	22,701,158	20,395,061
Administrative expenses		6,824,579	3,917,874	5,901,599	3,943,670
Net foreign exchange loss		-	31,394	-	61,895
Finance costs		3,743,629	127,426	3,685,490	127,397
Total expenses		175,241,321	99,408,349	106,725,003	98,297,959
Profit before income tax expense		6,218,480	7,126,385	4,629,034	6,889,312
Income tax expense	12	1,211,901	1,275,724	421,607	1,142,218
Profit for the period		5,006,579	5,850,661	4,207,427	5,747,094
Profit attributable to:					
Equity holders of the Company		4,950,563	5,834,951	4,207,427	5,747,094
Non-controlling interests		56,016	15,710	-	-
Profit for the period		5,006,579	5,850,661	4,207,427	5,747,094
Basic earnings per share (Baht)	13	0.55	0.65	0.47	0.64

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 six-month		For the six-month	
	period ended 30 June		period ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Profit for the period	5,006,579	5,850,661	4,207,427	5,747,094
Other comprehensive income				
Currency translation differences	(96,407)	94,475	-	-
Other comprehensive income for the period	(96,407)	94,475	-	-
Total comprehensive income for the period	4,910,172	5,945,136	4,207,427	5,747,094
Total comprehensive income attributable to:				
Equity holders of the Company	4,854,142	5,929,426	4,207,427	5,747,094
Non-controlling interests	56,030	15,710	-	-
Total comprehensive income for the period	4,910,172	5,945,136	4,207,427	5,747,094

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 (Restated)										
Note	Retained earnings		Other components of equity							
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences	Differences on		Equity		
						acquisition of non-controlling interests	Total other components of equity	attributable to equity holders of the Company	Non-controlling interests	Total equity
(in thousand Baht)										
	</									

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 (Restated)									
		Retained earnings		Other components of equity					
				Differences on				Equity	
				Unappropriated		Currency translation		Total other	
				retained earnings		differences		components	
								of equity	
								of the Company	
								equity holders	
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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 2014					
Balance at 1 January 2014	8,983,101	1,684,317	900,000	13,779,742	25,347,160
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	-	-	-	4,207,427	4,207,427
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,207,427	4,207,427
Balance at 30 June 2014	8,983,101	1,684,317	900,000	9,902,378	21,469,796

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 2013					
Balance at 1 January 2013	8,983,101	1,684,317	900,000	11,604,924	23,172,342
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	-	-	-	5,747,094	5,747,094
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,747,094	5,747,094
Balance at 30 June 2013	8,983,101	1,684,317	900,000	9,267,227	20,834,645

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	2014	2013	2014	2013
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the period	5,006,579	5,850,661	4,207,427	5,747,094
<i>Adjustments for</i>				
Depreciation	2,731,270	1,716,081	1,806,271	1,526,243
Amortisation of leasehold rights	102,831	48,174	50,775	48,174
Amortisation of other intangible assets	176,508	58,845	54,972	40,668
Interest income	(128,936)	(356,303)	(108,665)	(270,790)
Dividend income	(52)	(430)	(2,079,358)	(578,889)
Finance costs	3,743,629	127,426	3,685,490	127,397
Income tax expense	1,211,901	1,275,724	421,607	1,142,218
Provision for employees' severance pay	123,015	106,594	60,000	66,000
Reversal of allowance for losses on slow-moving inventories	(12,523)	(3,013)	(53,891)	(6,682)
Reversal of impairment for losses on property, plant and equipment	(10,595)	-	-	-
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)	6 (2,398)	15,181	-	-
Unrealised (gain) loss on exchange	(39,300)	375,273	(61,608)	418,559
Gain on changes in fair value of investment	-	(71,702)	-	-
Loss on disposal and write-off of property, plant and equipment	14,589	59,610	20,086	59,842
Gain on disposal of leasehold rights	(4,017)	(4,075)	(4,017)	(4,074)
	12,912,501	9,198,046	7,999,089	8,315,760
Changes in operating assets and liabilities				
Trade accounts receivable	68,602	(54,435)	(5,083)	(29,025)
Other accounts receivable	279,863	(190,570)	365,881	339,774
Inventories	319,339	133,490	274,030	296,857
Other current assets	(108,338)	(1,705,168)	221,206	(1,712,875)
Other non-current assets	(500,664)	(77,204)	(68,836)	(104,324)
Trade accounts payable	(6,350,146)	(1,097,567)	(1,420,969)	(700,581)
Other accounts payable	(376,535)	(275,272)	(2,866,447)	(1,387,759)

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month		For the six-month	
	period ended 30 June		period ended 30 June	
<i>Note</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other current liabilities	(1,061,766)	(1,221,600)	(976,024)	(1,132,596)
Employee benefit obligations paid	(49,771)	(8,819)	(9,754)	(6,768)
Accrued guarantee deposits	101,322	179,014	101,754	176,040
Other non current liabilities	<u>1,815</u>	<u>(30)</u>	<u>-</u>	<u>-</u>
Cash generated from operating activities	5,236,222	4,879,885	3,614,847	4,054,503
Income tax paid	<u>(1,073,844)</u>	<u>(1,447,316)</u>	<u>(266,989)</u>	<u>(1,325,963)</u>
Net cash provided by operating activities	<u>4,162,378</u>	<u>3,432,569</u>	<u>3,347,858</u>	<u>2,728,540</u>
<i>Cash flows from investing activities</i>				
Interest received	129,251	490,915	110,184	370,966
Dividends received	52	430	2,079,358	578,889
Purchase of current investments	(1,280,000)	(4,070,000)	-	(3,300,000)
Sale of current investments	1,178,000	12,509,240	-	11,657,539
Net cash outflow on purchase of subsidiaries	-	(133,179,205)	-	-
Cash outflow on investments in subsidiaries	7	-	(30,000)	(135,736,354)
Cash inflow on other long-term investments	-	2,090,000	-	2,090,000
Cash outflow on long-term loans to subsidiaries	5	-	(450,000)	(950,000)
Repayment of long-term loans to subsidiaries	5	-	150,000	100,000
Purchase of property, plant and equipment	15	(6,615,625)	(3,521,524)	(3,504,662)
Sale of property, plant and equipment	65,564	40,524	46,867	31,051
Purchase of leasehold rights	(525,197)	(70,287)	(60,776)	(70,287)
Sale of leasehold rights	5,482	4,297	5,482	4,297
Purchase of other intangible assets	(196,364)	(61,124)	(72,027)	(129,034)
Sale of other intangible assets	<u>5,059</u>	<u>468</u>	<u>5,059</u>	<u>-</u>
Net cash used in investing activities	<u>(7,233,778)</u>	<u>(126,867,047)</u>	<u>(1,737,377)</u>	<u>(128,857,595)</u>

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

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the six-month period ended 30 June		For the six-month period ended 30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<i>Cash flows from financing activities</i>					
Interest paid		(3,309,403)	(26,805)	(3,281,966)	(26,776)
Dividends paid to equity holders of the Company		(8,084,744)	(8,083,780)	(8,084,744)	(8,083,780)
Dividends paid to non-controlling interests		(30,557)	(3)	-	-
Finance lease payment		(31,843)	-	-	-
Increase in overdrafts and short-term borrowings from financial institutions	10	4,019,366	140,509,665	3,000,000	140,509,650
Decrease in overdrafts and short-term borrowings from financial institutions	10	(131,978,186)	-	(131,976,631)	-
Proceeds from issue of debentures	10	40,000,000	-	40,000,000	-
Increase in long-term borrowings from financial institutions	10	93,346,925	-	93,346,925	-
Decrease in long-term borrowings from financial institutions	10	(614,250)	-	(614,250)	-
Net cash provided by (used in) financing activities		<u>(6,682,692)</u>	<u>132,399,077</u>	<u>(7,610,666)</u>	<u>132,399,094</u>
Net increase (decrease) in cash and cash equivalents					
		(9,754,092)	8,964,599	(6,000,185)	6,270,039
Cash and cash equivalents at beginning of period		24,632,253	23,084,976	15,642,314	19,367,986
Effect of exchange rate changes on balances held in foreign currencies		<u>(18,484)</u>	<u>16,239</u>	<u>(924)</u>	<u>-</u>
Cash and cash equivalents at end of period		<u>14,859,677</u>	<u>32,065,814</u>	<u>9,641,205</u>	<u>25,638,025</u>

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 2014 (Unaudited)

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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 6 August 2014.

1 General information

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

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

The ultimate parent company of the Company and its subsidiaries (together referred to as the “Group”) during the financial period was Charoen Pokphand Group Company Limited which incorporated in Thailand.

The principal businesses of the Group are operating convenience stores, cash and carry, payment centers and the related supporting services.

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 30 June 2014 was 7,816 stores (31 December 2013: 7,429 stores).

	30 June 2014	31 December 2013
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,452	3,248
The Company franchises the license to other retailers		
- under management agreements	3,745	3,593
- under sub-license agreements	619	588
Total	7,816	7,429

Details of the Company’s subsidiaries as at 30 June 2014 and 31 December 2013 are given in note 7 to the interim financial statements.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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

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

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

(b) *Functional and presentation currency*

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

(c) *Use of estimates and judgements*

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

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

Estimates

Measurement of defined benefit obligations

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

3 Changes in accounting policies

(a) *Overview*

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

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

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

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

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

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

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

(c) Accounting for customer loyalty programmes

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

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

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

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

4 Business combinations

As at 30 June 2014 the Company held shares in OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited ("Makro") following: (a) the purchase 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 before the business combinations.

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

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	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
Siam Makro Holding (Thailand) Ltd.						
- Ordinary shares	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
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 of 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.

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

As at 30 June 2014 the Company has applied TFRS No. 3 (revised 2012) *Business Combinations* to completely recognise business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed:

Consideration transferred

	(in million Baht)
Cash paid	192,420
Total	192,420

Identifiable assets acquired and liabilities assumed

	Fair Value (in million Baht)
Cash and cash equivalents	2,545
Trade accounts receivable	183
Inventories	7,536
Other current assets	1,431
Investment properties	333
Property, plant and equipment	46,012
Leasehold rights	1,416

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 2014 (Unaudited)

	Fair Value <i>(in million)</i>
Intellectual property	46,072
Other intangible assets	1,207
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 (at fair value)	(3,931)
Differences on acquisition of non-controlling interests	1,143
An existing interest in Makro held by the Company before the business combinations	(3,324)
Goodwill	125,936
Consideration transferred	192,420

In June 2014, the Company has considered the fair values of the consideration received from the business combinations; and measured components of non-controlling interests at fair value, and recorded the difference between the purchase price paid and the fair value of the consideration received in the account “Goodwill” amounting to Baht 125,936 million by considering the information from the final appraisal reports dated 23 April 2014 of the independent appraiser and other necessary information obtained within one year from the business combination date which may affect such goodwill. As a result, the consolidated statement of financial position as at 31 December 2013 and the consolidated statements of changes in equity for the six-month period ended 30 June 2013 and for the year ended 31 December 2013 have been restated accordingly.

Details of the restated transactions are as follows:

	Consolidated financial statements		
	As previously reported	Increase (decrease) <i>(in million Baht)</i>	Restated
Consolidated statement of financial position as at 31 December 2013			
Assets			
Goodwill	125,515	558	126,073
Other intangible assets	33,546	14,784	48,330
Total assets	288,666	15,342	304,008
Liabilities and equity			
Deferred tax liabilities	-	15,379	15,379
Unappropriated retained earnings	18,497	(34)	18,463
Non-controlling interests	4,226	(3)	4,223
Total liabilities and equity	288,666	15,342	304,008

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 2014 (Unaudited)

	Consolidated financial statements		
	As previously reported	Increase (decrease) (in million Baht)	Restated
Consolidated statement of changes in equity for the year ended 31 December 2013			
Unappropriated retained earnings	18,497	(34)	18,463
Non-controlling interests	4,226	(3)	4,223
Consolidated statement of changes in equity for the six-month period ended 30 June 2013			
Acquisition of non-controlling interests without a change in control			
Differences on acquisition of non-controlling interests	1,761	(1,725)	36
Non-controlling interests	-	1,869	1,869
Acquisition of non-controlling interests with a change in control			
Non-controlling interests	4,758	57,979	62,737

The Company did not include 3 new subsidiaries, namely (1) OHT Co., Ltd., (2) Siam Makro Holding (Thailand) Ltd., and (3) Siam Makro Public Company Limited, during the period from 26 June 2013 (Business combination date) to 30 June 2013 in the preparation of the consolidated statements of income for the three-month and six-month periods ended 30 June 2013 since the Company's management considered that there would be no material impact on the consolidated statements of income for the three-month and six-month periods ended 30 June 2013.

5 Related parties

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

Relationships with subsidiaries are described in note 7 to the interim financial statements. Relationships with key management and other related parties were as follows:

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

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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

Significant transactions for the three-month and six-month periods ended 30 June 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
<i>For the three-month period ended 30 June</i>	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Ultimate parent company</i>				
Administrative expenses	3	3	3	3
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	128	114
Interest income	-	-	21	9
Dividend income	-	-	1,489	579
Other income	-	-	295	154
Selling expenses	-	-	215	345
Administrative expenses	-	-	425	338
Purchases of goods and services	-	-	3,252	2,428
Purchases of property, plant and equipment and other intangible assets	-	-	390	291
Interest expense	-	-	7	-
<i>Related companies</i>				
Revenue from sale of goods and rendering of services	426	399	172	156
Other income	99	135	97	134
Selling expenses	5	10	-	-
Administrative expenses	98	91	71	67
Purchases of goods and services	6,450	5,434	5,663	4,959
Purchases of property, plant and equipment and other intangible assets	2	-	-	-

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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<i>For the three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	176	120	127	120
Severance pay for employees	7	5	5	5
Total key management benefit expenses	183	125	132	125

<i>For the six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			

<i>Ultimate parent company</i>				
Administrative expenses	5	5	5	5

Subsidiaries

Revenue from sale of goods and rendering of services	-	-	300	227
Interest income	-	-	41	14
Dividend income	-	-	2,079	579
Other income	-	-	539	311
Selling expenses	-	-	443	621
Administrative expenses	-	-	780	642
Purchases of goods and services	-	-	6,292	4,698
Purchases of property, plant and equipment and other intangible assets	-	-	840	643
Interest expense	-	-	8	-

Related companies

Revenue from sale of goods and rendering of services	783	738	342	311
Other income	308	200	305	197
Selling expenses	7	42	-	-
Administrative expenses	201	165	151	138
Purchases of goods and services	12,592	10,567	11,094	9,707
Purchases of property, plant and equipment and other intangible assets	3	-	-	-

Key management personnel

Key management benefit expenses				
Short-term employee benefits	317	209	216	209
Severance pay for employees	14	7	9	7
Total key management benefit expenses	331	216	225	216

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Balances as at 30 June 2014 and 31 December 2013 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Related companies	134	76	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
Net	132	74	-	-

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the				
- three-month period ended 30 June	-	-	-	-
- six-month period ended 30 June	-	-	-	-

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	417	448
Related companies	153	270	145	268
Total	153	270	562	716

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the				
- three-month period ended 30 June	-	-	-	-
- six-month period ended 30 June	-	-	-	-

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Long-term loans to subsidiary

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
CPRAM Co., Ltd.	-	-	1,900	1,600
Total	-	-	1,900	1,600

Movements during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	1,600	360
Increases	-	-	450	950
Decreases	-	-	(150)	(100)
At 30 June	-	-	1,900	1,210
At 31 December	-	-	-	1,600

As at 30 June 2014 the balance of long-term loans to a subsidiary was unsecured and without a fixed repayment term within one year; and the interest rate was fixed at 4.75% per annum (31 December 2013: interest rate at 4.75% per annum).

Prepaid rental and service fees

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	239	254
Total	-	-	269	284

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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	966	260
Related companies	4,127	5,069	3,096	3,714
Total	4,127	5,069	4,062	3,974

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries	-	-	6,405	8,923
Related companies	71	28	17	10
Total	71	28	6,422	8,933

Short-term borrowing from subsidiary

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Lotus Distribution Investment Limited	-	-	2,334	2,359
Total	-	-	2,334	2,359

Movements during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	2,359	-
Unrealised gain on exchange rate from translation of outstanding borrowing balance of United State Dollars to Thai Baht	-	-	(25)	-
At 30 June	-	-	2,334	-
At 31 December				2,359

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As at 30 June 2014 the balance of short-term borrowing from a subsidiary was denominated in United State Dollars, unsecured and with fixed repayment term (within August 2014); and the interest rate was fixed at 0.25% per annum (*31 December 2013: interest rate at 0.25% per annum*).

Significant agreements with related parties

As at 30 June 2014 the Group had the following significant agreements with related parties.

- (a) The Company has a service agreement with Charoen Pokphand Group Company Limited, the ultimate parent company, covering technical advisory, management, technical assistances and right to use the trademark and services of the ultimate parent company for a period of 1 year ending in December 2014. In consideration thereof, the Company agrees to pay a monthly service fee to the ultimate parent company totaling Baht 0.8 million.
- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agrees to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agrees to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agrees to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agrees to provide the installation of computer system to support bill payment services. In consideration thereof, the subsidiary agrees to pay monthly service fees to the Company in accordance with the types of services stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agrees to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agrees to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agrees to provide the maintenance of the computer hardware and equipment services to the Company for a period of 3 years ending in December 2014. In consideration thereof, the Company agrees to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agrees to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2014. In consideration thereof, the subsidiary agrees to pay an annual service fee to the Company at the amount stipulated in the agreement.

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 2014 (Unaudited)

- (g) The Company and its certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, for lease spaces in the related company's building for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agree to pay monthly rental and services fees totaling Baht 9.1 million, and place guarantee deposits with the related company totaling Baht 27.3 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until December 2016.
- (h) The Company and its certain local subsidiaries have information system service agreements with Gosoft (Thailand) Co., Ltd., a local subsidiary ("the service provider"). Under the terms of the agreements, the service provider agrees to provide the service over the consulting, advisory, development, design, installation, maintenance and supporting of the information system to the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agree to pay a service fee to the service provider at the amount stipulated in the agreements. These agreements are effective for a period of 1 year, and will expire in December 2014. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Siam Makro Public Company Limited, a local subsidiary. Under the terms of the agreement, the Company agrees to grant:
- (1) the right to use of trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee calculated by percentages of its sales to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and 6 months ending in December 2014.
 - (2) the use of software under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(in million Baht)			
Related parties	5	134	76	-	-
Other parties		675	801	125	119
Total		809	877	125	119
Less allowance for doubtful accounts		(27)	(29)	-	-
Net		782	848	125	119

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 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Bad and doubtful debts expense (reversal of allowance for doubtful account) for the				
- three-month period ended 30 June	<u>(2)</u>	<u>15</u>	<u>-</u>	<u>-</u>
- six-month period ended 30 June	<u>(2)</u>	<u>15</u>	<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable are as follows:

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		86	42	-	-
Overdue:					
Less than 3 months		44	33	-	-
3 - 6 months		<u>4</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total		134	76	-	-
Less allowance for doubtful accounts		<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Net	5	132	74	-	-
Other parties					
Within credit terms		518	594	125	101
Overdue:					
Less than 3 months		129	176	-	18
3 - 6 months		5	1	-	-
6 - 12 months		7	7	-	-
Over 12 months		<u>16</u>	<u>23</u>	<u>-</u>	<u>-</u>
Total		675	801	125	119
Less allowance for doubtful accounts		<u>(25)</u>	<u>(27)</u>	<u>-</u>	<u>-</u>
Net		650	774	125	119
Grand total		782	848	125	119

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

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2014 (Unaudited)

7 Investments in subsidiaries

Movements during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	202,208	6,524
Increases - cash paid	-	-	30	135,736
Increases - obligations from tender offering	-	-	-	1,906
At 30 June	-	-	202,238	144,166
At 31 December				202,208

Details of the increases in investments in subsidiaries during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
24 Shopping Co., Ltd.	-	-	30	-
OHT Co., Ltd.	-	-	-	57,754
Siam Makro Holding (Thailand) Ltd.	-	-	-	55,490
Siam Makro Public Company Limited	-	-	-	24,385
All Corporation Limited	-	-	-	13
Albuera International Limited	-	-	-	-*
Total	-	-	30	137,642

* The Company invested in Albuera International Company 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 2014 (Unaudited)

Investments in subsidiaries as at 30 June 2014 and 31 December 2013, and dividend income for the six-month periods ended 30 June 2014 and 2013 were as follows:

Separate financial statements									
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 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
<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	459
CP Retailink Co.,Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	40
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	60

CP ALL Public Company Limited and its Subsidiaries
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Separate financial statements (Continued)									
Name of parties	Type of business	Country of incorporation	Ownership interest		Paid-up capital		At cost		Dividend income for the six-month period ended
			30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
(in million Baht)									
All Corporation Limited Dynamic Management Co., Ltd.	Holding company Logistics and distribution of merchandises services	Thailand Thailand	99.99	99.99	13	13	13	13	-
			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								
	Training center	Thailand	99.99	99.99	1	1	1	1	30
	Training center	Thailand	99.99	99.99	1	1	1	1	70
	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	404
	Distributor of catalog merchandises and e-commerce	Thailand	99.99	-	30	-	30	-	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	388
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	2,400	82,427	82,427	617
Total							198,381	198,351	579

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 2014 (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 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
			(%)						
								(in million US\$)	(in million Baht)
Foreign direct subsidiaries									
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	-
Grand total							202,238	202,208	579

* As at 30 June 2014 Albuera International Limited (“Albuera”) had paid-up capital amounting to USD 1 and the Company invested in Albuera amounting to USD 1.

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Details of the Company's indirect subsidiaries as at 30 June 2014 and 31 December 2013 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interest	
			30 June 2014	31 December 2013
(%)				
<i>Local indirect subsidiaries</i>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technology College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	97.88
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	50.99	50.99
Siam Makro Public Company Limited	Cash and carry	Thailand	55.01	55.01
<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	-
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	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 2014 (Unaudited)

8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements			
	2014	2013	2014	2013
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	1,098	-	467	-
Buildings, building and leasehold improvements	2,539	29	1,092	64
Machinery and equipment	1,633	14	788	2
Furniture, fixtures and office equipment	850	28	609	23
Assets under construction and installation	3,208	3,540	3,122	1,418
Other	661	9	220	3
Total	9,989	3,620	6,298	1,510

	Separate financial statements			
	2014	2013	2014	2013
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	-	-	452	-
Buildings, building and leasehold improvements	1,987	23	1,036	64
Machinery and equipment	663	7	557	1
Furniture, fixtures and office equipment	743	28	648	23
Assets under construction and installation	1,705	2,603	1,995	1,226
Other	605	9	211	3
Total	5,703	2,670	4,899	1,317

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9 Deferred income tax

Deferred tax assets and liabilities as at 30 June 2014 and 31 December 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Deferred tax assets	543	344	252	55
Deferred tax liabilities	(15,342)	(15,379)	-	-
Net deferred tax assets (liabilities)	(14,799)	(15,035)	252	55

Movements in deferred tax assets (liabilities) during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		
	At 1 January 2014	(Charged)/ credited to profit or loss	At 30 June 2014
	<i>(in million Baht)</i>		
Deferred tax assets (liabilities)			
Trade accounts receivable	4	-	4
Inventories	156	(13)	143
Property, plant and equipment	68	3	71
Other current liabilities	(203)	203	-
Employee benefit obligations	281	6	287
Tax losses	11	(10)	1
Fair value adjustment assets acquired through business combinations	(15,379)	37	(15,342)
Other	27	10	37
Total	(15,035)	236	(14,799)

	Consolidated financial statements			
	At 1 January 2013	(Charged)/ credited to profit or loss	Acquired through business combination	At 30 June 2013
	<i>(in million Baht)</i>			
Deferred tax assets (liabilities)				
Trade accounts receivable	4	(1)	1	4
Inventories	105	(1)	72	176
Property, plant and equipment	25	44	52	33
Employee benefit obligations	181	15	61	257
Tax losses	41	(13)	-	28
Fair value adjustment assets acquired through business combinations	-	-	(15,417)	(15,417)
Other	13	44	13	70
Total	369	-	(15,218)	(14,849)

CP ALL Public Company Limited and its Subsidiaries

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For the three-month and six-month periods ended 30 June 2014 (Unaudited)

	Separate financial statements		
	At 1 January 2014	(Charged)/ credited to profit or loss (in million Baht)	At 30 June 2014
Deferred tax assets (liabilities)			
Trade accounts receivable	1	-	1
Inventories	64	(10)	54
Property, plant and equipment	24	(1)	23
Other current liabilities	(202)	202	-
Employee benefit obligations	164	10	174
Other	4	(4)	-
Total	55	197	252

	Separate financial statements		
	At 1 January 2013	(Charged)/ credited to profit or loss (in million Baht)	At 30 June 2013
Deferred tax assets			
Trade accounts receivable	1	-	1
Inventories	100	(2)	98
Property, plant and equipment	24	-	24
Employee benefit obligations	141	12	153
Other	3	1	4
Total	269	11	280

10 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(in million Baht)			
Current					
Short-term borrowings from financial institutions					
Promissory notes - unsecured		7,110	5,060	3,000	2,000
Liabilities under trust receipts - unsecured		54	106	-	-
Overdrafts - unsecured		1	-	-	-
Short-term borrowings - secured		-	129,977	-	129,977
Short-term borrowings - unsecured		19	-	-	-
Total		7,184	135,143	3,000	131,977
Short-term borrowing from subsidiary - unsecured	5	-	-	2,334	2,359
Total		-	-	2,334	2,359
Current portion of finance lease liabilities		36	28	-	-
Total		36	28	-	-
Total current		7,220	135,171	5,334	134,336

CP ALL Public Company Limited and its Subsidiaries

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For the three-month and six-month periods ended 30 June 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Note	(in million Baht)			
Non-current				
Debentures	90,000	50,000	90,000	50,000
Long-term borrowings from financial institutions - secured	92,695	-	92,695	-
Finance lease liabilities	314	165	-	-
Total non-current	183,009	50,165	182,695	50,000
Grand total	190,229	185,336	188,029	184,336

Short-term borrowings from financial institutions

Movements during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
At 1 January	135,143	-	131,977	-
Increases	4,019	140,510	3,000	140,510
Acquired through business combinations	-	2,104	-	-
Decreases	(131,978)	-	(131,977)	-
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United States Dollars to Thai Baht	-	719	-	719
At 30 June	7,184	143,333	3,000	141,229
At 31 December		135,143		131,977

Debentures

Movements during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
At 1 January	50,000	-	50,000	-
Increases	40,000	-	40,000	-
At 30 June	90,000	-	90,000	-
At 31 December		50,000		50,000

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

- Debentures term of 3 years of Baht 3,736 million, fully repayable on 27 March 2017 and bearing interest at the fixed rate of 3.70% per annum.
- Debentures term of 5 years of Baht 11,066 million, fully repayable on 27 March 2019 and bearing interest at the fixed rate of 4.30% per annum.
- Debentures term of 7 years of Baht 9,884 million, fully repayable on 27 March 2021 and bearing interest at the fixed rate of 4.85% per annum.
- Debentures term of 10 years of Baht 15,314 million, fully repayable on 27 March 2024 and bearing interest at the fixed rate of 5.14% per annum.

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

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

Long-term borrowings from financial institutions

Movements during the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	93,347	-	93,347	-
Decreases	(614)	-	(614)	-
Unrealised gain on exchange rates from translation of outstanding borrowing balances of United State Dollars to Thai Baht	(38)	-	(38)	-
At 30 June	92,695	-	92,695	-
At 31 December		-		-

As at 30 June 2014 the Company had secured long-term borrowing agreements with certain local and foreign financial institutions. Details are as follows:

Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	USD 350 million	Floating interest rate at LIBOR plus agreed applicable margin	One time at maturity date

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Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The second agreement	Baht 81,900 million	Floating interest rate at minimum loan rate (MLR) and BIBOR adjust with agreed applicable margin	Every 3 months for a period of 6 years

The Company drewdown the above long-term borrowing facilities totaling USD 350 million (equivalent to approximately Baht 11,410 million, using exchange rate as at 30 June 2014) and Baht 81,900 million to repayment of short-term borrowings from financial institutions.

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

Fair values of the shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, as at 30 June 2014, totaled Baht 194,973 million.

11 Segment information

Segment information is based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. It is presented in respect of the Group's business and geographical segments. The Group's presented business segment as the primary format.

Business segments

The Group comprises the following main business segments:

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

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

Geographic segments

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers.

The Group comprises the following main geographic segments:

- Segment 1: Thailand
- Segment 2: Other

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For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June 2014 and 2013 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total
	2014	2013	2014	2013	2014	2013	2014	2013	
	<i>(in million Baht)</i>								
<i>For the three-month period ended 30 June</i>									
Segment revenue	52,960	50,022	34,749	-	5,899	4,694	(4,663)	(3,634)	88,945
Profit before income tax expense for the period	2,601	3,296	1,125	-	1,716	438	(2,622)	(542)	3,192
<i>For the six-month period ended 30 June</i>									
Segment revenue	102,855	99,515	69,967	-	11,263	9,105	(8,982)	(7,099)	175,103
Profit before income tax expense for the period	4,629	6,889	2,763	-	2,206	866	(3,380)	(629)	7,126

Assets, based on business segments, in the consolidated financial statements at 30 June 2014 and 31 December 2013 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
	<i>(in million Baht)</i>								
Segment assets	251,153	256,129	237,877	238,958	31,957	32,931	(222,458)	(224,010)	298,529
									304,008

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For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Revenue and results, based on geographical segments in the consolidated financial statements for the three-month and six-month periods ended 30 June 2014 and 2013 were as follows:

	Thailand		Other		Eliminate		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>							
For the three-month period ended 30 June								
Revenue from sale of goods and rendering of services from external customers	88,913	51,082	96	-	(64)	-	88,945	51,082
Profit (loss) before income tax expense for the period	2,865	3,155	(45)	37	-	-	2,820	3,192
For the six-month period ended 30 June								
Revenue from sale of goods and rendering of services from external customers	175,037	101,521	158	-	(92)	-	175,103	101,521
Profit (loss) before income tax expense for the period	6,288	7,061	(70)	65	-	-	6,218	7,126

12 Income tax expense

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

13 Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2014 and 2013 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<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>2,252</u>	<u>2,649</u>	<u>2,422</u>	<u>2,829</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>0.25</u>	<u>0.29</u>	<u>0.27</u>	<u>0.31</u>

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Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2014 (Unaudited)

<i>For the six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	<u>4,951</u>	<u>5,835</u>	<u>4,207</u>	<u>5,747</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>0.55</u>	<u>0.65</u>	<u>0.47</u>	<u>0.64</u>

14 Dividends

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

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the Company's shareholders approved the appropriation of 2012 annual dividends of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million, from the profit attributable to equity holders of the Company for the year 2012. The dividends were paid to the Company's shareholders on 20 May 2013.

15 Supplemental disclosures of cash flows information

Details of property, plant and equipment paid by cash during the six-month periods ended 30 June 2014 and 2013 were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Increases during the period	8	9,989	6,298	5,703	4,899
Less - changes in payables		342	(266)	422	(169)
- assets under finance leases		(175)	-	-	-
- transfers from assets under construction and installation		<u>(3,540)</u>	<u>(1,410)</u>	<u>(2,603)</u>	<u>(1,225)</u>
Paid by cash		<u>6,616</u>	<u>4,622</u>	<u>3,522</u>	<u>3,505</u>

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16 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Contracted but not provided for (construction costs of new plants, installation costs of machinery, and computer system development costs)	1,841	2,279	-	-
Total	1,841	2,279	-	-

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Within one year	5,087	5,438	4,687	5,124
After one year but within five years	10,991	10,331	9,715	9,248
After five years	2,984	1,622	-	-
Total	19,062	17,391	14,402	14,372

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 30 years, which will expire between 2014 to 2045.

Other commitments

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	351	472	-	-
Total	351	472	-	-

Letters of guarantee

As at 30 June 2014 the Group has commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, lease agreements and others totaling Baht 845 million and USD 0.3 million (31 December 2013: Baht 838 million and USD 0.3 million).

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Significant agreements

As at 30 June 2014 the Group had the following significant agreements.

- (a) The Company has an area license agreement with 7-Eleven, Inc., which was incorporated in the United States of America, to acquire a license to use the systems and trademarks of 7-Eleven, Inc. in connection with the operations of 7-Eleven convenience stores or franchising of such operations to other retailers in Thailand. The Company has also obtained certain services from 7-Eleven, Inc. in relation to training and technical assistance. In consideration thereof, the Company is committed to pay royalties to 7-Eleven, Inc. calculated as percentages of total sales of the 7-Eleven convenience stores that are operating in Thailand.
- (b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties from those licensees in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damages and/or liabilities that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposits rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.
- (c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to sub-area licensees. Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.
- (d) A local subsidiary, Gosoft (Thailand) Co., Ltd., has service agreements with local companies, whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the local companies as stipulated in the agreements. These agreements are effective for periods over 75 days to 16 months, and will expire on various dates until April 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.). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the government entities, state enterprises and local companies, then remits funds to the government entities, state enterprises and local companies. The subsidiary can collect service income from customers or local companies as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates until May 2017. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of day stipulated in the agreement before the expiry date of the agreement.
- (f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies ("the parties"), whereby the latter parties are appointed as agents of the subsidiary for receipts of customers' bills as specified in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates until July 2017. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

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- (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.