

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

Interim financial statements
for the three-month period ended
31 March 2013

and

Independent Auditor's Report
on Review of Interim Financial Information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of CP ALL Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 31 March 2013; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2013; 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 3 to the interim financial statements describing the effect of the Company and its subsidiaries' adoption from 1 January 2013 of certain new accounting policies. The consolidated and separate statements of financial position as at 31 December 2012, which are included as comparative information, are components of the audited consolidated and separate financial statements as at and for the year ended 31 December 2012, which were audited by another auditor who expressed an unmodified opinion thereon in his report dated 13 February 2013, after making the adjustments described in note 3 to the interim financial statements. I have audited these adjustments and, based on my audit, in my opinion such adjustments are appropriate and have been properly applied. Furthermore, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2012, which were reviewed by another auditor who expressed an unmodified conclusion thereon in his report dated 4 May 2012, have also been adjusted as described in note 3 to the interim financial statements and are included as comparative information. I have reviewed these adjustments and, based on my review, nothing has come to my attention to indicate that such adjustments are not appropriate and properly applied.

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
3 May 2013

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

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March 2013 (Unaudited)	31 December 2012 (Restated)	31 March 2013 (Unaudited)	31 December 2012 (Restated)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		22,569,847	23,084,976	18,890,099	19,367,986
Current investments		12,417,635	11,970,669	8,800,000	8,326,526
Trade accounts receivable	4, 5	539,434	541,204	146,391	100,797
Other accounts receivable	4, 6	902,443	1,347,565	1,207,933	1,683,085
Inventories	4	9,486,318	9,148,331	8,545,399	8,286,271
Other current assets	4	2,676,015	2,761,475	2,460,463	2,533,246
Total current assets		48,591,692	48,854,220	40,050,285	40,297,911
Non-current assets					
Investments in subsidiaries	7	-	-	6,523,829	6,523,829
Investment in related company	4	24,000	24,000	24,000	24,000
Other long-term investments		2,191,111	2,191,111	2,190,700	2,190,700
Long-term loans to subsidiaries	4	-	-	910,000	360,000
Property, plant and equipment	4, 8	19,581,282	18,094,249	14,641,149	13,710,637
Intangible assets		1,034,311	1,033,380	578,008	583,398
Leasehold rights		336,326	325,357	336,326	325,357
Deferred tax assets	3, 9	367,871	369,208	273,330	268,894
Other non-current assets	4	1,318,740	1,276,148	1,599,744	1,564,499
Total non-current assets		24,853,641	23,313,453	27,077,086	25,551,314
Total assets		73,445,333	72,167,673	67,127,371	65,849,225

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

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity		31 March	31 December	31 March	31 December
		2013	2012	2013	2012
		(Unaudited)	(Restated)	(Unaudited)	(Restated)
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Overdrafts and short-term borrowings from financial institutions		22	-	-	-
Trade accounts payable	4, 10	31,535,400	32,579,807	25,608,686	25,739,822
Other accounts payable	4	1,788,923	1,775,277	6,960,059	7,990,552
Income tax payable		1,811,710	1,205,160	1,692,293	1,123,953
Other current liabilities		4,012,008	5,464,457	3,224,395	4,402,338
Total current liabilities		39,148,063	41,024,701	37,485,433	39,256,665
<i>Non-current liabilities</i>					
Employee benefit obligations	11	999,626	954,916	730,419	704,187
Accrued guarantee deposits		2,938,362	2,832,756	2,821,160	2,716,031
Total non-current liabilities		3,937,988	3,787,672	3,551,579	3,420,218
Total liabilities		43,086,051	44,812,373	41,037,012	42,676,883
<i>Equity</i>					
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		19,230,739	16,045,000	14,522,941	11,604,924
Other components of equity		(701,197)	(511,849)	-	-
Equity attributable to equity holders of the Company		30,096,960	27,100,569	26,090,359	23,172,342
Non-controlling interests		262,322	254,731	-	-
Total equity		30,359,282	27,355,300	26,090,359	23,172,342
Total liabilities and equity		73,445,333	72,167,673	67,127,371	65,849,225

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>		2013	2012	2013	2012
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
<i>Income</i>	4				
Revenue from sale of goods and rendering of services		50,439,114	43,014,463	49,493,042	42,163,787
Interest income		204,403	159,958	166,909	135,654
Dividend income		19	13	-	-
Net foreign exchange gain		3,055	7,524	5,239	5,535
Other income		2,258,403	1,492,490	2,378,633	1,594,870
Total income		52,904,994	44,674,448	52,043,823	43,899,846
<i>Expenses</i>	4				
Cost of sale of goods and rendering of services		37,388,877	31,966,248	36,855,970	31,568,184
Selling expenses		9,736,244	7,496,861	9,758,327	7,522,361
Administrative expenses		1,845,280	1,670,208	1,836,455	1,661,171
Finance costs		13	1	-	-
Total expenses		48,970,414	41,133,318	48,450,752	40,751,716
Profit before income tax expense		3,934,580	3,541,130	3,593,071	3,148,130
Income tax expense	3, 13	741,250	784,453	675,054	698,613
Profit for the period		3,193,330	2,756,677	2,918,017	2,449,517
Profit attributable to:					
Equity holders of the Company		3,185,739	2,756,840	2,918,017	2,449,517
Non-controlling interests		7,591	(163)	-	-
Profit for the period		3,193,330	2,756,677	2,918,017	2,449,517
Basic earnings per share (Baht)	14	0.35	0.31	0.32	0.27

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	
	2013	2012	2013	2012
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
Profit for the period	3,193,330	2,756,677	2,918,017	2,449,517
Other comprehensive income				
Currency translation differences	(189,348)	(122,730)	-	-
Other comprehensive income for the period	(189,348)	(122,730)	-	-
Total comprehensive income for the period	3,003,982	2,633,947	2,918,017	2,449,517
Total comprehensive income attributable to:				
Equity holders of the Company	2,996,391	2,634,110	2,918,017	2,449,517
Non-controlling interests	7,591	(163)	-	-
Total comprehensive income for the period	3,003,982	2,633,947	2,918,017	2,449,517

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				
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency transaction differences	Equity attributable to equity holders of the Company	Non- controlling interests	Total equity	
<i>(in thousand Baht)</i>									
For the three-month period ended									
31 March 2013									
Balance at 1 January 2013									
	- as previously reported	8,983,101	1,684,317	900,000	15,688,197	(511,849)	26,743,766	242,326	26,986,092
	Impact of changes in accounting policies	-	-	-	356,803	-	356,803	12,405	369,208
3	Balance at 1 January 2013 - restated	8,983,101	1,684,317	900,000	16,045,000	(511,849)	27,100,569	254,731	27,355,300
Comprehensive income for the period									
	Profit	-	-	-	3,185,739	-	3,185,739	7,591	3,193,330
	Other comprehensive income	-	-	-	-	(189,348)	(189,348)	-	(189,348)
	Total comprehensive income for the period	-	-	-	3,185,739	(189,348)	2,996,391	7,591	3,003,982
	Balance at 31 March 2013	8,983,101	1,684,317	900,000	19,230,739	(701,197)	30,096,960	262,322	30,359,282

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)								
					Other components					
				Retained earnings	of equity					
						Equity				
<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency transaction differences	attributable to equity holders of the Company	Non- controlling interests	Total equity		
<i>(in thousand Baht)</i>										
For the three-month period ended										
31 March 2012										
Balance at 1 January 2012										
	- as previously reported		4,493,148	1,684,317	450,000	15,224,549	(361,409)	21,490,605	208,249	21,698,854
Impact of changes in accounting policies	3	-	-	-	331,299	-	331,299	20,470	351,769	
	Balance at 1 January 2012 - restated		4,493,148	1,684,317	450,000	15,555,848	(361,409)	21,821,904	228,719	22,050,623
Comprehensive income for the period										
	Profit		-	-	-	2,756,840	-	2,756,840	(163)	2,756,677
	Other comprehensive income		-	-	-	-	(122,730)	(122,730)	-	(122,730)
	Total comprehensive income for the period		-	-	-	2,756,840	(122,730)	2,634,110	(163)	2,633,947
	Balance at 31 March 2012		4,493,148	1,684,317	450,000	18,312,688	(484,139)	24,456,014	228,556	24,684,570

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)

	<i>Note</i>	Separate financial statements (Restated)				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
				Legal reserve	Unappropriated retained earnings	
<i>(in thousand Baht)</i>						
For the three-month period ended 31 March 2013						
Balance at 1 January 2013						
- as previously reported		8,983,101	1,684,317	900,000	11,336,030	22,903,448
Impact of changes in accounting policies	3	-	-	-	268,894	268,894
Balance at 1 January 2013 - restated		8,983,101	1,684,317	900,000	11,604,924	23,172,342
Comprehensive income for the period						
Profit		-	-	-	2,918,017	2,918,017
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	2,918,017	2,918,017
Balance at 31 March 2013		8,983,101	1,684,317	900,000	14,522,941	26,090,359
For the three-month period ended 31 March 2012						
Balance at 1 January 2012						
- as previously reported		4,493,148	1,684,317	450,000	11,913,609	18,541,074
Impact of changes in accounting policies	3	-	-	-	236,320	236,320
Balance at 1 January 2012 - restated		4,493,148	1,684,317	450,000	12,149,929	18,777,394
Comprehensive income for the period						
Profit		-	-	-	2,449,517	2,449,517
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	2,449,517	2,449,517
Balance at 31 March 2012		4,493,148	1,684,317	450,000	14,599,446	21,226,911

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 period ended 31 March		For the three-month period ended 31 March	
<i>Note</i>	2013	2012	2013	2012
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	3,193,330	2,756,677	2,918,017	2,449,517
<i>Adjustments for</i>				
Depreciation	837,797	776,621	744,417	682,460
Amortisation of intangible assets	28,568	25,290	19,537	15,919
Amortisation of leasehold rights	23,410	21,144	23,410	21,144
Interest income	(204,403)	(159,958)	(166,909)	(135,654)
Dividend income	(19)	(13)	-	-
Finance costs	13	1	-	-
Income tax expense	13 741,250	784,453	675,054	698,613
Provision for employees' severance pay	11 53,529	69,522	33,000	53,322
Allowance (reversal of allowance) for losses on slow-moving inventories	1,999	(15,256)	(5,179)	(3,786)
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)	357	(450)	-	-
Unrealised gain on exchange	(20,033)	(5,081)	-	(5,135)
Loss on disposal and write-off of property, plant and equipment	32,945	22,256	32,881	22,826
Gain on sale of leasehold rights	(1,942)	(1,991)	(1,942)	(1,991)
	<u>4,686,801</u>	<u>4,273,215</u>	<u>4,272,286</u>	<u>3,797,235</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	1,413	2,292	(45,594)	17,481
Other accounts receivable	445,122	(327,600)	476,855	(372,235)
Inventories	(339,986)	319,187	(253,949)	229,646
Other current assets	109,905	398,297	94,361	379,947
Other non-current assets	(35,181)	(15,407)	(35,245)	(6,952)
Trade accounts payable	(1,044,407)	1,567,673	(131,136)	1,686,210
Other accounts payable	(152,230)	(260,350)	(902,708)	257,853
Other current liabilities	(1,452,475)	(243,569)	(1,306,178)	(50,892)
Employee benefit obligations paid	11 (8,819)	(31,903)	(6,768)	(31,903)
Accrued guarantee deposits	105,606	265,801	105,129	266,527
Cash generated from operating activities	<u>2,315,749</u>	<u>5,947,636</u>	<u>2,267,053</u>	<u>6,172,917</u>
Income tax paid	<u>(135,415)</u>	<u>(79,404)</u>	<u>(111,150)</u>	<u>(58,891)</u>
Net cash provided by operating activities	<u>2,180,334</u>	<u>5,868,232</u>	<u>2,155,903</u>	<u>6,114,026</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)

	Note	Consolidated financial statements		Separate financial statements	
		For the three-month period ended 31 March		For the three-month period ended 31 March	
		2013	2012 (Restated)	2013	2012 (Restated)
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Interest received		148,729	54,113	112,615	45,664
Dividends received		19	13	-	-
Purchase of current investments		(3,840,000)	(700,000)	(3,300,000)	(700,000)
Sale of current investments		3,311,859	1,046,997	2,857,539	1,000,000
Cash outflow on investment in subsidiaries	7	-	-	-	(1,000)
Cash outflow on investment in related company	4	-	(6,000)	-	(6,000)
Cash outflow on other long-term investments		-	(200,000)	-	(200,000)
Cash outflow on long-term loans to subsidiaries	4	-	-	(550,000)	-
Purchase of property, plant and equipment	15	(2,213,509)	(1,265,836)	(1,626,754)	(912,720)
Sale of property, plant and equipment		21,251	62,598	14,259	57,707
Purchase of intangible assets		(33,684)	(22,870)	(109,012)	(24,757)
Sale of intangible assets		468	-	-	-
Purchase of leasehold rights		(34,586)	(23,193)	(34,586)	(23,193)
Sale of leasehold rights		2,149	2,149	2,149	2,149
Net cash used in investing activities		(2,637,304)	(1,052,029)	(2,633,790)	(762,150)
<i>Cash flows from financing activities</i>					
Interest paid		(13)	(1)	-	-
Increase in overdrafts and short-term borrowings from financial institutions		22	5,234	-	-
Net cash provided by financing activities		9	5,233	-	-
Net increase (decrease) in cash and cash equivalents		(456,961)	4,821,436	(477,887)	5,351,876
Cash and cash equivalents at beginning of period		23,084,976	14,201,712	19,367,986	10,804,492
Effect of exchange rate changes on balances held in foreign currencies		(58,168)	(16,824)	-	-
Cash and cash equivalents at end of period		22,569,847	19,006,324	18,890,099	16,156,368

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 2013 (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 2013 (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 financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 3 May 2013.

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, 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 2013 was 7,041 stores (31 December 2012: 6,822 stores).

	31 March 2013	31 December 2012
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,123	2,984
The Company franchises the license to other retailers under management agreements	3,377	3,320
The Company franchises the license to other retailers under sub-license agreements	541	518
Total	<u>7,041</u>	<u>6,822</u>

Details of the Company’s subsidiaries as at 31 March 2013 and 31 December 2012 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 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2013 (Unaudited)

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2012. 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 2012.

The FAP has issued the following new and revised Thai Financial Reporting Standards (“TFRS”) relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 3 to the interim financial statements.

In addition to the above new and revised TFRS, as at 31 March 2013 the FAP had issued a number of new interpretations which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these interim financial statements. Those new interpretations that are relevant to the Group’s operations are disclosed in note 18 to the interim financial statements.

Except for the changes in accounting policy discussed in note 3 to the interim financial statements, 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 2012.

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Group’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the 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.

Except as disclosed below, 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 2012. Changes principally derive from the adoption of new and revised TFRS from 1 January 2013.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2013 (Unaudited)

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 as set out in note 11 to the interim financial statements.

3 Changes in accounting policies

(a) Overview

From 1 January 2013, 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:

- Accounting for income tax
- Accounting for government grants and disclosures of government assistance
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

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

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the financial statements.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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The Group adopted TAS 12 with effect for the period from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements as follows:

	Consolidated statements of financial position			Separate statements of financial position		
	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
	<i>(in million Baht)</i>					
Increase in deferred tax assets	368	369	352	273	269	236
Increase in retained earnings	(357)	(357)	(331)	(273)	(269)	(236)
Increase in non-controlling interests	(11)	(12)	(21)	-	-	-

	Consolidated statements of income		Separate statements of income	
	2013	2012	2013	2012
<i>For the three-month period ended 31 March</i>	<i>(in million Baht)</i>			
(Increase) decrease in income tax expense	(1)	(3)	4	2
(Increase) decrease in profit for the period	1	3	(4)	(2)

(c) Accounting for government grants and disclosures of government assistance

From 1 January 2013, the group has adopted TAS 20 Accounting for Government Grants and Disclosures of Government Assistance.

The change has had no significant effect to the Group's interim financial statements.

(d) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 Accounting for the Effects of Changes in Foreign Exchange Rates.

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the Company to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the Company's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(e) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below.

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TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information 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. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group’s financial statements.

4 Related party transactions

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. Relationship 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
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True GS Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
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
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 Product Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director

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Name of parties	Country of incorporation/ nationality	Nature of relationships
C.P. Merchandising Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Land Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True 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
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Move Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
True Corporation Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 4 common directors
Siam Makro Public Company Limited	Thailand	1 director of the Company is a major shareholder and 1 common director
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is a major shareholder
C.P. Intertrade Co., Ltd.	Thailand	Chearavanont family is a major shareholder
Dees Supreme Co., Ltd.	Thailand	Family's member of 1 director is a major shareholder
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company

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	Finance 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

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Significant transactions for the three-month periods ended 31 March 2013 and 2012 with related parties were as follows:

<i>For the three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Ultimate parent company</i>				
Administrative expenses	2	2	2	2
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	113	92
Interest income	-	-	5	3
Other income	-	-	157	129
Selling expenses	-	-	276	209
Administrative expenses	-	-	304	241
Purchases of goods and services	-	-	2,270	1,889
Purchases of property, plant and equipment	-	-	352	298
<i>Related companies</i>				
Revenue from sale of goods and rendering of services	339	288	155	114
Other income	65	30	63	29
Selling expenses	32	2	-	-
Administrative expenses	74	59	71	53
Purchases of goods and services	5,133	4,316	4,748	4,023
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefit	89	95	89	95
Severance pay for employees	2	2	2	2
Total key management benefit expenses	91	97	91	97

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Balances as at 31 March 2013 and 31 December 2012 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Related companies				
Siam Makro Public Company Limited	32	25	-	-
C.P. Merchandising Co., Ltd.	15	45	-	-
CPF Trading Co., Ltd.	14	12	-	-
CPF IT Center Co., Ltd.	11	-	-	-
True Move Co., Ltd.	9	14	-	-
True Internet Co., Ltd.	6	2	-	-
BFKT (Thailand) Co., Ltd.	4	8	-	-
True Corporation Public Company Limited	4	6	-	-
True Universal Convergence Co., Ltd.	4	2	-	-
CPF (Thailand) Public Company Limited	2	5	-	-
True GS Co., Ltd.	2	2	-	-
Other	5	20	-	-
Total	108	141	-	-
Less allowance for doubtful accounts	(1)	(2)	-	-
Net	107	139	-	-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the three-month period ended 31 March	(1)	-	-	-

Other accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Subsidiaries				
Thai Smart Card Co., Ltd.	-	-	195	215
Counter Service Co., Ltd.	-	-	97	104
C.P. Retailing and Marketing Co., Ltd	-	-	19	21
Other	-	-	8	4
Total	-	-	319	344

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	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Related companies				
True Money Co., Ltd.	104	113	104	113
CP-Meiji Co., Ltd.	13	9	13	9
CPF Trading Co., Ltd.	11	20	10	19
True Distribution and Sales Co., Ltd.	10	11	10	11
Allianz C.P. General Insurance Public Company Limited	7	53	7	53
C.P. Consumer Products Co., Ltd.	6	3	6	3
Other	4	3	4	4
Total	155	212	154	212
Grand total	155	212	473	556

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	-	-	-	-

Investment in related company

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
True GS Co., Ltd.	24	24	24	24
Total	24	24	24	24

Movements during the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	24	18	24	18
Acquisitions	-	6	-	6
At 31 March	24	24	24	24
At 31 December		24		24

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Long-term loans to subsidiaries

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
C.P. Retailing and Marketing Co., Ltd.	-	-	900	350
Dynamic Management Co., Ltd.	-	-	10	10
Total	<u>-</u>	<u>-</u>	<u>910</u>	<u>360</u>

Movements during the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	360	290
Increases	-	-	550	-
At 31 March	<u>-</u>	<u>-</u>	<u>910</u>	<u>290</u>
At 31 December		<u>-</u>		<u>360</u>

Interest rate as at 31 March 2013 and 31 December 2012 was as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(interest rate per annum)</i>			
C.P. Retailing and Marketing Co., Ltd.	-	-	3.25%	3.50%
Dynamic Management Co., Ltd.	-	-	3.25%	3.50%

As at 31 March 2013 and 31 December 2012 the balances of long-term loans to subsidiaries were unsecured and without a fixed repayment term.

Prepaid rental and service fees

Subsidiary	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Panyapiwat Institute of Management	-	-	306	314
Total	<u>-</u>	<u>-</u>	<u>306</u>	<u>314</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, 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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As at 31 March 2013 and 31 December 2012 the Company's prepaid rental and service fees, net was Baht 306 million and Baht 314 million respectively.

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Subsidiary				
C.P. Retailing and Marketing Co., Ltd.	-	-	255	271
Total	<u>-</u>	<u>-</u>	<u>255</u>	<u>271</u>
Related companies				
True Money Co., Ltd.	1,423	1,546	1,416	1,536
CPF Trading Co., Ltd.	1,321	1,353	1,085	1,061
CPF (Thailand) Public Company Limited	356	439	-	-
CP-Meiji Co., Ltd.	288	278	288	278
True Distribution and Sales Co., Ltd.	204	291	204	291
C.P. Packaging Industry Co., Ltd.	98	97	96	97
C.P. Consumer Products Co., Ltd.	78	86	78	84
Dees Supreme Co., Ltd.	75	130	75	130
C.P. Food Store Co., Ltd.	41	59	41	41
Real Move Co., Ltd.	40	34	-	1
Other	77	95	36	40
Total	<u>4,001</u>	<u>4,408</u>	<u>3,319</u>	<u>3,559</u>
Grand total	<u>4,001</u>	<u>4,408</u>	<u>3,574</u>	<u>3,830</u>

Other accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Subsidiaries				
Counter Service Co., Ltd.	-	-	5,520	6,146
Thai Smart Card Co., Ltd.	-	-	234	247
CP Retailink Co., Ltd. (formerly "Retailink (Thailand) Co., Ltd.")	-	-	70	147
Gosoft (Thailand) Co., Ltd.	-	-	31	239
MAM Heart Co., Ltd.	-	-	28	40
All Training Co., Ltd.	-	-	24	9
Panyapiwat Technological College	-	-	-	32
Other	-	-	18	13
Total	<u>-</u>	<u>-</u>	<u>5,925</u>	<u>6,873</u>

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	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Related companies				
C.P. Merchandising Co., Ltd.	22	1	-	-
True Universal Convergence Co., Ltd.	14	14	14	14
Thai News Network (TNN) Co., Ltd.	3	6	3	6
C.P. Intertrade Co., Ltd.	2	2	-	-
True Move Co., Ltd.	2	2	2	2
Other	21	12	1	-
Total	64	37	20	22
Grand total	64	37	5,945	6,895

Significant agreements with related parties

As at 31 March 2013 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. 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.
- (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. (formerly "Retailink (Thailand) 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. In consideration thereof, the Company agrees to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.

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- (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 until September 2014. In consideration thereof, the subsidiary agrees to pay an annual service fee to the Company at the amount stipulated in the agreement.
- (g) The Company and its certain local subsidiaries have lease and service agreements with C.P. Land Public Company Limited, a related company, for lease spaces in its 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 7.7 million, and place guarantee deposits with the related company totaling Baht 23.1 million. The guarantee deposits will be refunded to the Company and the subsidiaries upon the termination of the lease.
- (h) The Company and its certain local subsidiaries have information system service agreements with Gosoft (Thailand) Co., Ltd., a local subsidiary. Under the terms of the agreements, the subsidiary 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 at the amount 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.

5 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
		<i>(in million Baht)</i>			
Related parties	4	108	141	-	-
Other parties		449	418	146	101
Total		557	559	146	101
Less allowance for doubtful accounts		(18)	(18)	-	-
Net		539	541	146	101

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month periods ended 31 March	-	-	-	-

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Aging analyses for trade accounts receivable were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
<i>(in million Baht)</i>					
Related parties					
Within credit terms		82	109	-	-
Overdue:					
Less than 3 months		25	31	-	-
3 - 6 months		1	1	-	-
Total		108	141	-	-
Less allowance for doubtful accounts		(1)	(2)	-	-
Net	4	107	139	-	-
Other parties					
Within credit terms		391	360	146	101
Overdue:					
Less than 3 months		54	53	-	-
3 - 6 months		1	2	-	-
Over 12 months		3	3	-	-
Total		449	418	146	101
Less allowance for doubtful accounts		(17)	(16)	-	-
Net		432	402	146	101
Grand total		539	541	146	101

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

6 Other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
<i>(in million Baht)</i>					
Related parties	4	155	212	473	556
Other parties		754	1,143	742	1,134
Total		909	1,355	1,215	1,690
Less allowance for doubtful accounts		(7)	(7)	(7)	(7)
Net		902	1,348	1,208	1,683
<i>(in million Baht)</i>					
Bad and doubtful debts expense for the three-month periods ended 31 March		-	-	-	-

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Aging analyses for other accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2013	31 December 2012	31 March 2013	31 December 2012
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		93	102	412	446
Overdue:					
Less than 3 months		59	64	58	64
3 - 6 months		2	2	2	2
6 - 12 months		1	44	1	44
Total	4	155	212	473	556
Other parties					
Within credit terms		564	943	561	941
Overdue:					
Less than 3 months		181	187	172	185
3 - 6 months		-	4	-	-
6 - 12 months		1	1	1	-
Over 12 months		8	8	8	8
Total		754	1,143	742	1,134
Less allowance for doubtful accounts		(7)	(7)	(7)	(7)
Net		747	1,136	735	1,127
Grand total		902	1,348	1,208	1,683

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 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	6,524	6,505
Increases	-	-	-	1
At 31 March	-	-	6,524	6,506
At 31 December		-		6,524

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Details of the increases in investments in subsidiaries as at 31 March 2013 and 31 December 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Gosoft (Thailand) Co., Ltd.	-	-	-	18
All Training Co., Ltd.	-	-	-	1
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>

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Investments in subsidiaries as at 31 March 2013 and 31 December 2012, and dividend income for the three-month periods ended 31 March 2013 and 2012 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 three-month period ended	
			31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 March 2012
			(%)		(in million US\$)		(in million Baht)			
Foreign direct subsidiary										
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	116	116	3,857	3,857	-	-
Total							3,857	3,857	-	-
Local direct subsidiaries										
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 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 March 2012
			(%)		(in million Baht)					
Suksapiwat Co., Ltd.	Educational institution	Thailand	99.99	99.99	810	810	810	810	-	-
C.P. Retailing and Marketing Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	600	600	-	-
Counter Service Co., Ltd.	Bill payment services and distributor of all types of commercial cards and tickets	Thailand	99.99	99.99	70	70	61	61	-	-

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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 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 March 2012
			(%)				<i>(in million Baht)</i>			
CP Retailink Co.,Ltd. (formerly “Retailink (Thailand) 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	-	-
Dynamic Management Co., Ltd.	Logistics and distribution of merchandises services	Thailand	99.99	99.99	2	2	2	2	-	-
MAM Heart Co., Ltd.	Marketing activities planning services	Thailand	99.99	99.99	1	1	1	1	-	-
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	-	-
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	-	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Total							<u>2,667</u>	<u>2,667</u>	<u>-</u>	<u>-</u>
Grand total							<u>6,524</u>	<u>6,524</u>	<u>-</u>	<u>-</u>

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Details of the Company's indirect subsidiaries as at 31 March 2013 and 31 December 2012 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interest	
			31 March 2013	31 December 2012
			(%)	
<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
<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

8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated financial statements			
	2013		2012	
	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	48	-	116	-
Buildings, building and leasehold improvements	568	36	405	48
Machinery and equipment	334	1	367	8
Furniture, fixtures and office equipment	231	9	309	25
Assets under construction and installation	1,861	762	556	479
Other	93	2	96	4
Total	3,135	810	1,849	564

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	Separate financial statements			
	2013	2012	2013	2012
	Acquisition and transfers in - at cost	Disposals and transfers out - net book value	Acquisition and transfers in - at cost	Disposal and transfers out - net book
	<i>(in million Baht)</i>			
Land	48	-	-	-
Buildings, building and leasehold improvements	535	36	351	48
Machinery and equipment	240	1	279	7
Furniture, fixtures and office equipment	255	9	326	22
Assets under construction and installation	1,205	651	474	408
Other	90	2	94	4
Total	<u>2,373</u>	<u>699</u>	<u>1,524</u>	<u>489</u>

9 Deferred income tax

Deferred tax assets and liabilities as at 31 March 2013 and 31 December 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Deferred tax assets	368	370	273	269
Deferred tax liabilities	-	(1)	-	-
Net deferred tax assets	<u>368</u>	<u>369</u>	<u>273</u>	<u>269</u>

Movements in deferred tax assets during the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated financial statements			
	At 1 January 2013 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2013 (restated)	(Charged)/ credited to profit or loss (Note 13)
	<i>(in million Baht)</i>			
	At 31 March 2013			
Deferred tax assets				
Trade accounts receivable	-	4	4	-
Inventories	-	105	105	(1)
Property, plant and equipment	-	25	25	-
Employee benefit obligations	-	181	181	6
Tax losses	-	41	41	(6)
Other	-	13	13	-
Total	<u>-</u>	<u>369</u>	<u>369</u>	<u>(1)</u>

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	Consolidated financial statements				
	At 1 January 2012 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2012 (restated)	(Charged)/ credited to profit or loss (Note 13)	At 31 March 2012
			<i>(in million Baht)</i>		
<i>Deferred tax assets</i>					
Trade accounts receivable	-	4	4	-	4
Inventories	-	96	96	(4)	92
Property, plant and equipment	-	25	25	-	25
Employee benefit obligations	-	146	146	6	152
Tax losses	-	71	71	(4)	67
Other	-	10	10	(1)	9
Total	-	352	352	(3)	349

	Separate financial statements				
	At 1 January 2013 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2013 (restated)	(Charged)/ credited to profit or loss (Note 13)	At 31 March 2013
			<i>(in million Baht)</i>		
<i>Deferred tax assets</i>					
Trade accounts receivable	-	1	1	-	1
Inventories	-	100	100	(2)	98
Property, plant and equipment	-	24	24	-	24
Employee benefit obligations	-	141	141	5	146
Other	-	3	3	1	4
Total	-	269	269	4	273

	Separate financial statements				
	At 1 January 2012 (as previously reported)	Impacts of change in accounting policy (Note 3)	At 1 January 2012 (restated)	(Charged)/ credited to profit or loss (Note 13)	At 31 March 2012
			<i>(in million Baht)</i>		
<i>Deferred tax assets</i>					
Trade accounts receivable	-	2	2	-	2
Inventories	-	88	88	(2)	86
Property, plant and equipment	-	24	24	-	24
Employee benefit obligations	-	122	122	4	126
Total	-	236	236	2	238

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10 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
<i>(in million Baht)</i>					
Related parties	4	4,001	4,408	3,574	3,830
Other parties		27,534	28,172	22,035	21,910
Total		31,535	32,580	25,609	25,740

11 Employee benefit obligations

The Group operates the severance pay plan for employees based on the requirements of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<i>(in million Baht)</i>				
Obligations recorded in statements of financial position				
Severance pay for employees	1,000	955	730	704
Total	1,000	955	730	704

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
For the three-month periods ended 31 March				
Recognised in profit or loss				
Severance pay for employees	54	69	33	53
Total	54	69	33	53

The Group adopted TAS 19 Employee Benefits with effect from 1 January 2011. The Group opted to recognise the transitional obligations as at 1 January 2011 through profit or loss on a straight line basis over 5 years starting from 1 January 2011. Movements during the period on the provision for the unrecognised transitional obligations were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Unrecognised transitional obligations as at 1 January	114	152	41	54
Recognised through profit or loss for the period	(9)	(9)	(3)	(3)
Unrecognised transitional obligations as at 31 March	105	143	38	51

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Movements in the present value of the defined benefit obligations for the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	955	758	704	612
Benefits paid by the plan	(9)	(32)	(7)	(32)
Transitional obligation recognised	9	9	3	3
Current service costs and interest	45	60	30	50
Defined benefit obligations at 31 March	1,000	795	730	633

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated/Separate financial statements	
	31 March 2013	31 December 2012
Discount rate (%)	4.16	4.16
Future pension (year)	55 and 60	55 and 60

Assumptions regarding future mortality are based on published statistics and mortality tables. Discount rate is similar to the interest rate of long term government bond and future salary increases rate was determined by the average rate of salary increases in prior year.

12 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: Other

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

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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

Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2013 and 2012 were as follows:

	For the three-month periods ended 31 March							
	Convenient stores		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>							
Segment revenue	49,493	42,164	4,411	3,687	(3,465)	(2,837)	50,439	43,014
Profit before income tax expense for the period	3,593	3,148	428	466	(86)	(73)	3,935	3,541

Assets, based on business segments, in the consolidated financial statements at 31 March 2013 and 31 December 2012.

	Convenient stores		Other		Eliminate		Total	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
		<i>(in million Baht)</i>						
Segment assets	67,127	65,849	21,596	21,916	(15,278)	(15,597)	73,445	72,168

Revenue and results, based on geographical segments in the consolidate financial statements for the three-month periods ended 31 March 2013 and 2012 were as follows:

	For the three-month periods ended 31 March					
	Thailand		Other		Total	
	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>					
Revenue from sale of goods and rendering of services from external customers	50,439	43,014	-	-	50,439	43,014
Profit before income tax expense for the period	3,907	3,531	28	10	3,935	3,541

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13 Income tax expense

	Note	Consolidated financial statements		Separate financial statements	
		For the three-month periods ended 31 March		For the three-month periods ended 31 March	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Current tax					
Current period		740	781	679	701
		740	781	679	701
Deferred income tax					
Movement in temporary differences		(5)	(4)	(4)	(3)
Income tax reduction		-	2	-	1
Benefit of tax losses recognised		6	5	-	-
	9	1	3	(4)	(2)
Total		741	784	675	699

Reconciliation of effective tax rate

Applicable tax rate (%)	Consolidated financial statements			
	0%	20%	Other	Total
<i>(in million Baht)</i>				
For the three-month period ended 31 March 2013				
Accounting profit before income tax expense, net	35	3,874	26	3,935
Income tax at the applicable tax rates	-	775	2	777
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(28)	(2)	(30)
Benefit of tax losses recognised	-	(6)	-	(6)
Net	-	741	-	741

Applicable tax rate (%)	Consolidated financial statements			
	0%	23%	Other	Total
<i>(in million Baht)</i>				
For the three-month period ended 31 March 2012				
Accounting profit before income tax expense, net	40	3,488	13	3,541
Income tax at the applicable tax rates	-	802	2	804
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(15)	(2)	(17)
Benefit of tax losses recognised	-	(5)	-	(5)
Income tax reduction	-	2	-	2
Net	-	784	-	784

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Applicable tax rate (%)	Separate financial statements	
	20%	23%
	<i>(in million Baht)</i>	
For the three-month period ended 31 March	2013	2012
Accounting profit before income tax expense, net	3,593	3,148
Income tax at the applicable tax rates	<u>719</u>	<u>724</u>
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(44)	(26)
Income tax reduction	-	1
Net	<u>675</u>	<u>699</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014 respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's competitiveness.

14 Basic earnings per share

As the Company declared the stock dividend payment during the year 2012, the Company has restated the number of weighted average ordinary shares used in the computation of basic earnings per share for the three-month period ended 31 March 2012 from 4,493,148,024 shares to 8,983,101,348 shares by adjusting to give effect to the stock dividends granted to the existing shareholders at a ratio of 1 existing share to 1 stock dividend assuming the stock dividends occurred on 1 January 2012. As a result, the basic earnings per share of the consolidated financial statements and the separate financial statements for the three-month period ended 31 March 2012 was changed from Baht 0.61 per share to Baht 0.31 per share; and from Baht 0.54 per share to Baht 0.27 per share respectively. This was made in order to reflect the change in numbers of all issued common shares.

The calculations of basic earnings per share for the three-month periods ended 31 March 2013 and 2012 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	
	2013	2012	2013	2012
<i>For the three-month periods ended 31 March</i>	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	<u>3,186</u>	<u>2,757</u>	<u>2,918</u>	<u>2,450</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>0.35</u>	<u>0.31</u>	<u>0.32</u>	<u>0.27</u>

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15 Supplemental disclosures of cash flows information

Details of property, plant and equipment purchased during the three-month periods ended 31 March 2013 and 2012 were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Increase during the period	8	3,135	1,849	2,373	1,524
Less - payables		(166)	(104)	(95)	(203)
- transfers from assets under construction and installation		(755)	(479)	(651)	(408)
Purchase and paid by cash		<u>2,214</u>	<u>1,266</u>	<u>1,627</u>	<u>913</u>

16 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Contracted but not provided for (construction costs of new plants, installation costs of machinery, and computer system development costs)	501	778	-	-
Total	<u>501</u>	<u>778</u>	<u>-</u>	<u>-</u>

Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Within one year	4,439	4,248	4,385	4,194
After one year but within five years	7,725	7,151	7,656	7,084
After five years	2	2	-	-
Total	<u>12,166</u>	<u>11,401</u>	<u>12,041</u>	<u>11,278</u>

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 15 years, which will expire between 2014 to 2020.

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Other commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	59	80	-	-
Total	59	80	-	-

Letters of guarantee

As at 31 March 2013 a local subsidiary, Thai Smart Card Co., Ltd., had a commitment under letters of guarantee, issued on behalf of the subsidiary by a local financial institution, in favor of a supplier amounting to U.S. Dollar 0.3 million (*31 December 2012: U.S. Dollar 0.3 million*).

Significant agreements

As at 31 March 2013 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 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 deposits rates announced by a local financial institution. These deposits will be refunded to the licensees upon the termination of 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 as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.

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- (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 as stipulated in the agreements. These agreements are effective for periods over 42 days to 12 months, and will expire on various dates until January 2014.
- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses), and other local companies (e.g., hire purchase, life insurance premium). 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 up to March 2016. 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 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 as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to June 2016. 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. (formerly "Retailink (Thailand) Co., Ltd."), has repair and maintenance management service agreements with local companies, 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 local companies 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.

17 Events after the reporting period

- 1) At the Company's Board of Directors meeting held on 22 April 2013, the Company's Board of Directors had resolutions to approve the Company:
 - 1.1) Acquires shares of Siam Makro Public Company Limited ("Makro"), Siam Makro Holding (Thailand) Limited and OHT Company Limited. Consequently, the Company will hold directly and indirectly 154,429,500 shares in Makro, representing 64.35% of the total issued and paid-up shares of Makro at a price of Baht 787 per share, or equivalent to U.S. Dollar 27.50 per share. The Company will proceed to execute the Sale and Purchase Agreement with SHV Nederland B.V. in accordance with forms, terms and conditions mutually agreed upon by all parties on 23 April 2013.

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- 1.2) Makes a Tender Offer for all securities of Makro (“Tender Offer”) in accordance with the terms and conditions stipulated in the Sale and Purchase Agreement that shall be mutually entered into. In terms of value of assets to be acquired under the Tender Offer following the completion of purchase under the Sale and Purchase Agreement, and if all shareholders of Makro have accepted the Tender Offer, assets to be acquired are 85,570,500 ordinary shares of Makro under the Tender Offer at a price of Baht 787 per share, or equivalent to U.S. Dollar 27.50 per share. Thus, the total value of assets to be acquired is approximately Baht 67,344 million or equivalent U.S. Dollar 2,353 million.
- 1.3) Applies for borrowings from financial institutions in the total amount that does not exceed the amount required to pay considerations in the share acquisition and the making of Tender Offer.
- 1.4) Fixes the date of the extraordinary general meeting of shareholders of the Company No. 1/2556 on 12 June 2013 in order to consider and approve the Company’s acquisition of shares of Siam Makro Public Company Limited, Siam Makro Holding (Thailand) Limited and OHT Company Limited from SHV Nederland B.V. in accordance with forms, terms and conditions mutually agreed upon by all parties, and the making of Tender Offer for all securities of Siam Makro Public Company Limited.
- 2) At the annual general meeting of the shareholders of the Company held on 25 April 2013, the Company’s shareholders approved the 2012 annual dividends payment from net profit for the year 2012 of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million. The Company will pay these dividends to the Company’s shareholders on 20 May 2013.
- 3) At the Company’s Board of Directors meeting held on 19 February 2013, the Company’s Board of Directors approved to set up a local direct subsidiary, All Corporation Limited, which has the authorised share capital of Baht 50 million; and to call for a 25% paid-up for registered share capital amounting to Baht 12.5 million. The subsidiary registered the authorised share capital and the call for a 25% paid-up share capital with the Ministry of Commerce on 11 April 2013.
- 4) C.P. Retailing and Marketing Co., Ltd., a local subsidiary, changed its company name from “C.P. Retailing and Marketing Co., Ltd.,” to “CPRAM Co., Ltd.”. The subsidiary registered the change of its company name with the Ministry of Commerce on 1 May 2013.

18 Thai Financial Reporting Standards not yet adopted

The Group has not adopted the new interpretations that have been issued as of the reporting date but are not yet effective. Those new interpretations that are applicable to the Group which become effective for annual financial periods beginning on or after 1 January in the year indicated as follows:

TFRS	Topic	Year effective
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 13	Customer Loyalty Programmes	2014

Management is of the opinion that the adoption of such TFRS for the period from 1 January 2014 will not have a significant impact on the Group’s financial statements.