

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

Financial statements for the year ended
31 December 2013

and

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of CP ALL Public Company Limited

I have audited the accompanying consolidated and separate financial statements of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 31 December 2013 and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's and its subsidiaries' adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on 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 on those statements on 13 February 2013, and after making the adjustments described in note 3 to the financial statements. As part of my audit I have audited the adjustments described in note 3 to the financial statements that were applied to restate the corresponding figures. In my opinion, such adjustments are appropriate and have been properly applied.

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2014 (Except for note 5 to the financial statements, which are dated 20 March 2014.)

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
Current assets							
Cash and cash equivalents	7	24,632,252,846	23,084,975,812	14,201,712,209	15,642,314,092	19,367,985,562	10,804,492,327
Current investments	8	1,050,000,000	11,970,669,339	9,893,328,680	-	8,326,526,025	5,437,163,051
Trade accounts receivable	6, 9	848,215,281	541,203,760	476,647,510	119,443,847	100,796,688	170,569,581
Other accounts receivable	6, 10	1,576,451,052	1,347,564,613	499,891,661	1,980,311,300	1,683,084,868	645,975,606
Inventories	6, 11	19,915,860,237	9,148,331,073	8,642,208,577	9,219,368,431	8,286,271,341	7,901,008,700
Other current assets	6, 12	5,939,798,244	2,761,475,500	2,690,265,324	4,024,186,981	2,533,245,940	2,525,941,702
Total current assets		53,962,577,660	48,854,220,097	36,404,053,961	30,985,624,651	40,297,910,424	27,485,150,967
Non-current assets							
Investments in subsidiaries	13	-	-	-	202,207,831,495	6,523,828,965	6,504,828,995
Investment in related company	6	24,000,000	24,000,000	18,000,000	24,000,000	24,000,000	18,000,000
Other long-term investments	8	101,111,582	2,191,111,582	1,741,111,582	100,700,000	2,190,700,000	1,740,700,000
Long-term loans to subsidiaries	6	-	-	-	1,600,000,000	360,000,000	290,000,000
Investment properties		333,200,009	-	-	-	-	-
Property, plant and equipment	6, 14	71,272,531,129	18,094,249,109	14,993,990,443	18,342,901,333	13,710,636,703	11,743,397,149
Goodwill	15	125,514,461,060	137,247,956	137,247,956	-	-	-
Leasehold rights		1,952,614,502	325,356,762	311,132,620	381,943,527	325,356,762	311,132,620
Other intangible assets	16	33,545,826,599	896,131,877	683,836,216	633,987,163	583,398,416	449,680,849
Deferred tax assets	17	344,285,897	369,208,363	351,769,494	54,538,987	268,893,801	236,320,373
Other non-current assets	6, 18	1,614,872,920	1,276,147,657	1,051,494,748	1,797,633,339	1,564,499,253	1,359,275,152
Total non-current assets		234,702,903,698	23,313,453,306	19,288,583,059	225,143,535,844	25,551,313,900	22,653,335,138
Total assets		288,665,481,358	72,167,673,403	55,692,637,020	256,129,160,495	65,849,224,324	50,138,486,105

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
Liabilities and equity							
Current liabilities							
Overdrafts and short-term borrowings							
from financial institutions	19	135,143,340,850	-	2,173,470	131,976,630,807	-	-
Trade accounts payable	6, 20	54,734,077,697	32,579,806,957	24,393,114,291	27,618,149,223	25,739,821,786	20,005,235,776
Other accounts payable	6, 21	2,976,465,596	1,775,276,526	1,116,258,324	10,412,533,460	7,990,552,459	4,384,641,990
Short-term borrowings from subsidiary	6, 19	-	-	-	2,359,177,040	-	-
Current portion of finance lease liabilities	19	27,870,154	-	-	-	-	-
Income tax payable		633,641,151	1,205,160,283	1,138,285,191	-	1,123,952,694	975,339,884
Other current liabilities	22	7,282,882,031	5,464,456,661	3,829,254,805	4,538,995,687	4,402,338,180	3,101,186,089
Total current liabilities		200,798,277,479	41,024,700,427	30,479,086,081	176,905,486,217	39,256,665,119	28,466,403,739
Non-current liabilities							
Debentures	19	50,000,000,000	-	-	50,000,000,000	-	-
Finance lease liabilities	19	165,512,440	-	-	-	-	-
Employee benefit obligations	23	1,485,751,564	954,915,953	757,878,420	818,561,944	704,186,364	611,980,000
Accrued guarantee deposits	24	3,174,332,398	2,831,556,895	2,403,773,204	3,057,952,533	2,716,031,030	2,282,708,449
Other non-current liabilities		34,181,250	1,199,500	1,276,000	-	-	-
Total non-current liabilities		54,859,777,652	3,787,672,348	3,162,927,624	53,876,514,477	3,420,217,394	2,894,688,449
Total liabilities		255,658,055,131	44,812,372,775	33,642,013,705	230,782,000,694	42,676,882,513	31,361,092,188
Equity							
Share capital	25						
Authorised share capital		8,986,296,048	8,986,296,048	4,500,000,000	8,986,296,048	8,986,296,048	4,500,000,000
Issued and paid-up share capital		8,983,101,348	8,983,101,348	4,493,148,024	8,983,101,348	8,983,101,348	4,493,148,024
Additional paid-in capital	25						
Premium on ordinary shares		1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879	1,684,316,879
Retained earnings							
Appropriated							
Legal reserve	26	900,000,000	900,000,000	450,000,000	900,000,000	900,000,000	450,000,000
Unappropriated		18,497,197,993	16,045,000,380	15,555,847,947	13,779,741,574	11,604,923,584	12,149,929,014
Other components of equity		(1,283,669,155)	(511,848,742)	(361,408,747)	-	-	-
Equity attributable to equity holders of the Company		28,780,947,065	27,100,569,865	21,821,904,103	25,347,159,801	23,172,341,811	18,777,393,917
Non-controlling interests		4,226,479,162	254,730,763	228,719,212	-	-	-
Total equity		33,007,426,227	27,355,300,628	22,050,623,315	25,347,159,801	23,172,341,811	18,777,393,917
Total liabilities and equity		288,665,481,358	72,167,673,403	55,692,637,020	256,129,160,495	65,849,224,324	50,138,486,105

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

CP ALL Public Company Limited and its Subsidiaries
Statement of income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2013	2012	2013	2012
			(Restated)		(Restated)
		<i>(in Baht)</i>			
Income	6				
Revenue from sale of goods and rendering of services		272,285,532,785	188,702,047,485	201,669,012,106	184,798,922,176
Interest income		478,041,786	728,866,159	372,924,280	569,649,729
Dividend income		476,696	3,581,318	3,494,980,112	504,018,598
Net foreign exchange gain		-	38,587,253	-	22,011,131
Gain on changes in fair value of investment	5	71,702,031	-	-	-
Other income	28	11,834,536,291	8,342,519,995	11,958,007,887	8,800,544,141
Total Income		284,670,289,589	197,815,602,210	217,494,924,385	194,695,145,775
Expenses	6				
Cost of sale of goods and rendering of services	11	210,656,757,733	140,091,167,665	148,728,274,723	138,032,693,960
Selling expenses	11, 29	46,404,586,699	36,260,978,832	43,344,802,811	36,306,489,549
Administrative expenses	30	11,904,625,694	7,475,306,601	10,986,511,713	7,698,918,523
Net foreign exchange loss		569,653,792	-	607,094,360	-
Finance costs	33	2,214,030,392	25,261	2,179,436,410	-
Total expenses		271,749,654,310	183,827,478,359	205,846,120,017	182,038,102,032
Profit before income tax expense		12,920,635,279	13,988,123,851	11,648,804,368	12,657,043,743
Income tax expense	3, 34	2,292,394,518	2,913,373,488	1,389,195,165	2,642,466,119
Profit for the year		10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
Profit attributable to:					
Equity holders of the Company		10,536,988,826	11,048,735,487	10,259,609,203	10,014,577,624
Non-controlling interests		91,251,935	26,014,876	-	-
Profit for the year		10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
Basic earnings per share	36	1.17	1.23	1.14	1.11

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

CP ALL Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
		(Restated)		(Restated)
	<i>(in Baht)</i>			
Profit for the year	10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
Other comprehensive income				
Currency translation differences	370,765,212	(150,439,995)	-	-
Other comprehensive income for the year	370,765,212	(150,439,995)	-	-
Total comprehensive income for the year	10,999,005,973	10,924,310,368	10,259,609,203	10,014,577,624
Total comprehensive income attributable to:				
Equity holders of the Company	10,907,754,038	10,898,295,492	10,259,609,203	10,014,577,624
Non-controlling interests	91,251,935	26,014,876	-	-
Total comprehensive income for the year	10,999,005,973	10,924,310,368	10,259,609,203	10,014,577,624

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements (Restated)									
		Retained earnings			Other components of equity			Equity		Total	
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Currency translation differences	Differences on acquisition of non-controlling interests	Total other components of equity	attributable to equity holders of the Company	Non-controlling interests	Total equity	
<i>(in Baht)</i>											
Year ended 31 December 2013											
Balance at 1 January 2013											
	- as previously reported	8,983,101,348	1,684,316,879	900,000,000	15,688,196,662	(511,848,742)	-	(511,848,742)	26,743,766,147	242,326,118	26,986,092,265
	Impact of changes in accounting policies	3	-	-	356,803,718	-	-	-	356,803,718	12,404,645	369,208,363
	Balance at 1 January 2013 - restated	8,983,101,348	1,684,316,879	900,000,000	16,045,000,380	(511,848,742)	-	(511,848,742)	27,100,569,865	254,730,763	27,355,300,628
Transactions with equity holders, recorded directly in equity											
<i>Distributions to equity holders</i>											
	Reduction of ordinary shares	-	-	-	-	-	-	-	(345)	(345)	
	Dividends	37	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(50,932,491)	(8,135,723,704)
	Total distributions to equity holders	-	-	-	(8,084,791,213)	-	-	-	(8,084,791,213)	(50,932,836)	(8,135,724,049)
<i>Changes in ownership interests in subsidiaries</i>											
	Acquisition of non-controlling interests without a change in control	-	-	-	-	(1,142,585,625)	(1,142,585,625)	(1,142,585,625)	(58,805,073,500)	(59,947,659,125)	
	Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	62,736,502,800	62,736,502,800	
	Total changes in ownership interests in subsidiaries	-	-	-	-	(1,142,585,625)	(1,142,585,625)	(1,142,585,625)	3,931,429,300	2,788,843,675	
	Total transactions with equity holders, recorded directly in equity	-	-	-	(8,084,791,213)	(1,142,585,625)	(1,142,585,625)	(9,227,376,838)	3,880,496,464	(5,346,880,374)	
Comprehensive income for the year											
	Profit	-	-	-	10,536,988,826	-	-	-	10,536,988,826	91,251,935	10,628,240,761
	Other comprehensive income	-	-	-	-	370,765,212	-	370,765,212	370,765,212	-	370,765,212
	Total comprehensive income for the year	-	-	-	10,536,988,826	370,765,212	-	370,765,212	10,907,754,038	91,251,935	10,999,005,973
	Balance at 31 December 2013	8,983,101,348	1,684,316,879	900,000,000	18,497,197,993	(141,083,530)	(1,142,585,625)	(1,283,669,155)	28,780,947,065	4,226,479,162	33,007,426,227

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements (Restated)

	Note	Retained earnings		Other components of equity		Equity attributable to equity holders of the Company	Non-controlling interests	Total equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings				Currency translation differences
Year ended 31 December 2012									
Balance at 1 January 2012 - as previously reported		4,493,148,024	1,684,316,879	450,000,000	15,224,548,627	(361,408,747)	21,490,604,783	208,249,038	21,698,853,821
Impact of changes in accounting policies	3	-	-	-	331,299,320	-	331,299,320	20,470,174	351,769,494
Balance at 1 January 2012 - restated		4,493,148,024	1,684,316,879	450,000,000	15,555,847,947	(361,408,747)	21,821,904,103	228,719,212	22,050,623,315
Transactions with equity holders, recorded directly in equity									
<i>Distributions to equity holders</i>									
Issue of ordinary shares	25	4,489,953,324	-	-	-	-	4,489,953,324	30	4,489,953,354
Cash and stock dividends	37	-	-	-	(10,109,583,054)	-	(10,109,583,054)	(3,355)	(10,109,586,409)
Total transactions with equity holders, recorded directly in equity		4,489,953,324	-	-	(10,109,583,054)	-	(5,619,629,730)	(3,325)	(5,619,633,055)
Comprehensive income for the year									
Profit		-	-	-	11,048,735,487	-	11,048,735,487	26,014,876	11,074,750,363
Other comprehensive income		-	-	-	-	(150,439,995)	(150,439,995)	-	(150,439,995)
Total comprehensive income for the year		-	-	-	11,048,735,487	(150,439,995)	10,898,295,492	26,014,876	10,924,310,368
Transfer to legal reserve	26	-	-	450,000,000	(450,000,000)	-	-	-	-
Balance at 31 December 2012		8,983,101,348	1,684,316,879	900,000,000	16,045,000,380	(511,848,742)	27,100,569,865	254,730,763	27,355,300,628

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements (Restated)				
				Retained earnings		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve <i>(in Baht)</i>	Unappropriated retained earnings	Total equity
Year ended 31 December 2013						
Balance at 1 January 2013 - as previously reported		8,983,101,348	1,684,316,879	900,000,000	11,336,029,783	22,903,448,010
Impact of changes in accounting policies	3	-	-	-	268,893,801	268,893,801
Balance at 1 January 2013 - restated		8,983,101,348	1,684,316,879	900,000,000	11,604,923,584	23,172,341,811
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Dividends	37	-	-	-	(8,084,791,213)	(8,084,791,213)
Total transactions with equity holders, recorded directly in equity		-	-	-	(8,084,791,213)	(8,084,791,213)
Comprehensive income for the year						
Profit		-	-	-	10,259,609,203	10,259,609,203
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	10,259,609,203	10,259,609,203
Balance at 31 December 2013		8,983,101,348	1,684,316,879	900,000,000	13,779,741,574	25,347,159,801

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

CP ALL Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements (Restated)				
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
Note	Legal reserve <i>(in Baht)</i>			Unappropriated retained earnings		
Year ended 31 December 2012						
Balance at 1 January 2012 - as previously reported		4,493,148,024	1,684,316,879	450,000,000	11,913,608,641	18,541,073,544
Impact of changes in accounting policies		-	-	-	236,320,373	236,320,373
3		<u>4,493,148,024</u>	<u>1,684,316,879</u>	<u>450,000,000</u>	<u>12,149,929,014</u>	<u>18,777,393,917</u>
Balance at 1 January 2012 - restated						
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Issue of ordinary shares		4,489,953,324	-	-	-	4,489,953,324
25						
Cash and stock dividends		-	-	-	(10,109,583,054)	(10,109,583,054)
37						
Total transactions with equity holders, recorded directly in equity		<u>4,489,953,324</u>	<u>-</u>	<u>-</u>	<u>(10,109,583,054)</u>	<u>(5,619,629,730)</u>
Comprehensive income for the year						
Profit		-	-	-	10,014,577,624	10,014,577,624
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>10,014,577,624</u>	<u>10,014,577,624</u>
Transfer to legal reserve		-	-	450,000,000	(450,000,000)	-
26						
Balance at 31 December 2012		<u><u>8,983,101,348</u></u>	<u><u>1,684,316,879</u></u>	<u><u>900,000,000</u></u>	<u><u>11,604,923,584</u></u>	<u><u>23,172,341,811</u></u>

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

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

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2013	2012	2013	2012
			(Restated)		(Restated)
		<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the year		10,628,240,761	11,074,750,363	10,259,609,203	10,014,577,624
<i>Adjustments for</i>					
Depreciation	14, 32	4,317,951,028	3,173,281,359	3,207,201,920	2,805,882,946
Amortisation of leasehold rights	32	145,662,588	87,091,422	97,540,248	87,091,422
Amortisation of other intangible assets	16, 32	161,704,489	108,069,242	95,660,462	71,487,746
Interest income		(478,041,786)	(728,866,159)	(372,924,280)	(569,649,729)
Dividend income		(476,696)	(3,581,318)	(3,494,980,112)	(504,018,598)
Finance costs	33	2,214,030,392	25,261	2,179,436,410	-
Income tax expense	34	2,292,394,518	2,913,373,488	1,389,195,165	2,642,466,119
Provision for employees' severance pay	23	238,662,332	231,856,433	120,636,000	124,440,424
Allowance for losses on slow-moving inventories (reversal of allowance for losses on slow-moving inventories)		(158,569,713)	46,710,755	(175,817,007)	62,232,604
Reversal of impairment of property, plant and equipment		(6,106,152)	-	-	-
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)		10,895,015	11,386,018	(454,488)	10,936,183
Unrealised (gain) loss on exchange		1,917,133,710	(37,327,199)	2,099,013,367	(6,425,028)
Gains on changes in fair value of investment	5	(71,702,031)	-	-	-
Loss on disposal and write-off of property, plant and equipment		109,864,105	150,672,896	92,747,239	154,136,178
Gain on disposal of leasehold rights		(8,287,483)	(7,421,043)	(8,287,483)	(7,421,043)
		<u>21,313,355,077</u>	<u>17,020,021,518</u>	<u>15,488,576,644</u>	<u>14,885,736,848</u>

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

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

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
<i>Note</i>	2013	2012	2013	2012	
		(Restated)		(Restated)	
		<i>(in Baht)</i>			
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(158,510,472)	(64,976,950)	(18,647,159)	69,772,893
Other accounts receivable		(204,575,581)	(858,638,270)	(290,323,016)	(1,048,227,660)
Inventories		(3,073,080,591)	(552,833,251)	(757,280,083)	(447,495,245)
Other current assets		(1,657,974,037)	61,493,133	(1,384,638,230)	76,882,579
Other non-current assets		(34,814,296)	(221,087,417)	(233,134,086)	(205,224,101)
Trade accounts payable		8,299,147,465	8,186,692,666	1,878,327,437	5,734,586,010
Other accounts payable		153,422,208	274,643,975	2,268,040,437	3,314,247,817
Other current liabilities		(22,302,498)	1,659,817,503	(456,447,894)	1,325,540,429
Employee benefit obligations paid	23	(14,121,953)	(34,818,900)	(6,766,820)	(32,234,060)
Transferred in of employee benefit obligations	23	1,808,500	-	506,400	-
Accrued guarantee deposits		342,775,503	427,783,691	341,921,503	433,322,581
Other non-current liabilities		(1,222,604)	(76,500)	-	-
Cash generated from operating activities		24,943,906,721	25,898,021,198	16,830,135,133	24,106,908,091
Income tax paid		(3,319,793,263)	(2,866,433,803)	(2,537,689,344)	(2,526,426,737)
Net cash provided by operating activities		21,624,113,458	23,031,587,395	14,292,445,789	21,580,481,354
<i>Cash flows from investing activities</i>					
Interest received		633,352,889	630,750,899	468,055,852	516,658,116
Dividends received		476,696	3,581,318	3,494,980,112	504,018,598
Purchase of current investments	8	(5,450,000,000)	(13,165,527,349)	(3,300,000,000)	(12,345,527,348)
Sale of current investments	8	16,467,220,496	10,939,699,409	11,657,539,015	9,400,000,000
Net cash outflow on purchase of subsidiaries		(193,126,864,134)	-	-	-
Cash outflow on investment in subsidiaries	13	-	-	(195,684,002,530)	(18,999,970)
Cash outflow to non-controlling interests		(345)	-	-	-
Cash inflow from non-controlling interests		-	30	-	-
Cash outflow on investment in related company	6	-	(6,000,000)	-	(6,000,000)
Cash outflow on other long-term investments	8	-	(800,000,000)	-	(800,000,000)
Cash inflow on other long-term investments	8	2,090,000,000	350,000,000	2,090,000,000	350,000,000
Cash outflow on long-term loans to subsidiaries	6	-	-	(1,920,000,000)	(610,000,000)
Cash inflow on long-term loans to subsidiaries	6	-	-	680,000,000	540,000,000

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

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		2013	2012	2013	2012
			(Restated)		(Restated)
		<i>(in Baht)</i>			
Purchase of property, plant and equipment	39	(11,272,382,055)	(6,346,566,476)	(7,721,687,881)	(5,030,657,130)
Sale of property, plant and equipment		81,241,730	306,627,802	63,940,404	293,610,839
Purchase of leasehold rights		(391,414,030)	(102,735,950)	(154,527,571)	(102,735,950)
Sale of leasehold rights		8,688,042	8,841,429	8,688,042	8,841,429
Purchase of other intangible assets		(452,349,869)	(320,998,321)	(181,304,542)	(103,755,050)
Sale of other intangible assets		3,183,993	90,679	-	2
Net cash used in investing activities		(191,408,846,587)	(8,502,236,530)	(190,498,319,099)	(7,404,546,464)
<i>Cash flows from financing activities</i>					
Interest paid		(1,710,148,137)	(25,261)	(1,672,811,812)	-
Dividends paid to equity holders of the Company		(8,083,780,828)	(5,612,441,655)	(8,083,780,828)	(5,612,441,655)
Dividends paid to non-controlling interests		(50,932,491)	(3,355)	-	-
Finance lease payments		(21,592,056)	-	-	-
Increase in short-term borrowings from financial institutions	19	199,013,485,255	-	197,951,093,865	-
Decrease in short-term borrowings from financial institutions	19	(67,969,963,549)	(2,173,470)	(67,969,963,549)	-
Increase in short-term borrowing from subsidiary	6	-	-	3,110,600,000	-
Decrease in short-term borrowing from subsidiary	6	-	-	(883,410,400)	-
Proceeds from issue of debentures	19	50,000,000,000	-	50,000,000,000	-
Net cash provided by (used in) financing activities		171,177,068,194	(5,614,643,741)	172,451,727,276	(5,612,441,655)
Net increase (decrease) in cash and cash equivalents		1,392,335,065	8,914,707,124	(3,754,146,034)	8,563,493,235
Cash and cash equivalents at 1 January		23,084,975,812	14,201,712,209	19,367,985,562	10,804,492,327
Effect of exchange rate changes on balances held in foreign currencies		154,941,969	(31,443,521)	28,474,564	-
Cash and cash equivalents at 31 December	7	24,632,252,846	23,084,975,812	15,642,314,092	19,367,985,562

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

CP ALL Public Company Limited and its Subsidiaries

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Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 20 February 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 year was Charoen Pokphand Group Company Limited which incorporated in Thailand.

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

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 31 December 2013 was 7,429 stores (2012: 6,822 stores).

	2013	2012
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	3,248	2,984
The Company franchises the license to other retailers under management agreements	3,593	3,320
The Company franchises the license to other retailers under sub-license agreements	588	518
Total	<u>7,429</u>	<u>6,822</u>

Details of the Company’s subsidiaries as at 31 December 2013 and 2012 are given in note 13 to the financial statements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP had issued the following new and revised 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 Effect of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

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Notes to the financial statements

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 financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 42 to the financial statements.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis unless otherwise stated in accounting policies.

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgements*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes to the financial statements:

Note 4(u)	Current and deferred taxation
Note 5	Business combinations - buy shares
Note 23	Measurement of employee benefit obligations
Note 38	Valuation of financial instruments

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 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 financial statements below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

(b) Accounting for income tax

The principle change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the asset or liability in the statement of financial position and the amount attributed to that asset or liability for tax purposes; and the carryforward of unused tax losses. The accounting policy for deferred tax is described in note 4(u) to the financial statements.

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

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
<i>Statement of financial position as at</i>	<i>(in million Baht)</i>					
Increase in deferred tax assets	344	369	352	55	269	236
Increase in retained earnings	(336)	(357)	(331)	(55)	(269)	(236)
Increase in non-controlling interests	(8)	(12)	(21)	-	-	-
	Consolidated financial statements			Separate financial statements		
<i>Statement of income for the year ended 31 December</i>						
	<i>(in million Baht)</i>					
(Increase) decrease in income tax expense	(224)		17	(214)		33
(Increase) decrease in profit for the year	224		(17)	214		(33)

(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 financial statements.

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

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the Effects of Changes in Foreign Exchange Rates.

The principle change introduced by TAS 21 (revised 2009) 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 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its function currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

(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. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

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 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3 to the financial statements, which addresses changes in accounting policies.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred is measured as the fair values of the assets transferred, liabilities incurred by the Group to the previous equity holders of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If there are future services requirement, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at the fair value.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investment or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (Thai Baht) at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Foreign operations

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on transaction dates.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the currency translation differences reserve in equity until disposal of the investments.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the currency translation differences in equity until disposal of the investment.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(d) *Hedging*

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

(e) *Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Raw materials, work in progress and finished goods

Inventories are stated at the lower of cost and net realisable value.

Costs of the Company's inventories at distribution centers and subsidiaries' inventories are calculated using the weighted average cost principle and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Inventories at the 7-Eleven convenience stores of the Company are valued at the retail cost principle, which is calculated using the retail price of inventories less gross profit.

Inventories at the cash and carry business are valued at the first in first out principle.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance for losses is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(h) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held-for-trading are classified as current assets and are stated at fair value with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments and stated at amortised cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Disposal of investments

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets of the Group

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and improvements	3 - 50 years
Leasehold improvements	over the lease period
Machinery and equipment	3 - 10 years
Furniture, fixtures and office equipment	2 - 10 years
Others	
- Electricity and water systems	5 - 20 years
- Vehicles	5 years
- Library book	5 years

No depreciation is provided on freehold land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets that are acquired by the Group and have indefinite useful lives i.e. intellectual property, etc. are measured at cost less accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Computer software	2 - 10 years
Intellectual property	indefinite useful lives
Customer base and other	7 and 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Leasehold rights

Leasehold rights, acquired by the Group, have finite useful lives and are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is recognised in the profit or loss. The Company amortises the cost of leasehold rights on a straight line basis over the periods of the lease agreements between 10 to 30 years.

(m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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Notes to the financial statements

The recoverable amount of a non-financial assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(p) Employee benefits

Post-employment benefit - defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Post-employment benefit - defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs is deducted. The discount rate is similar to the interest rate of long term government bond that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

CP ALL Public Company Limited and its Subsidiaries

Notes to the financial statements

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group provides for long-service award as a lump sum payment to employee who works for the specified year of service. The amount payable in the future depend on the year of service of the respective employees.

Termination benefits

Termination benefits are recognised in profit or loss when the Group is committed demonstrably, without realistic possibility of withdrawal or a formal detail plan to terminate employment before the normal retirement date and the obligation can be estimated reliably.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. The Group will not recognise revenue if there is continuing control or management involvement with the goods sold or there are significant risk regarding uncertainties of future economic benefits, unreasonable measurement of consideration due and associated costs, or the probable certain on return of goods. Service income is recognised as services are provided.

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Notes to the financial statements

Initial fees, royalties and exclusive fees

The Company recognises the initial fee obtained under the Management Agreements of the 7-Eleven convenience stores upon completion of the required services for the franchisees.

The Company recognises the royalty fee arising from the license for operating its 7-Eleven convenience stores over the period of the Management Agreements.

The Company has agreements with the merchandise suppliers to purchase their products to distribute in the 7-Eleven convenience stores. Under the terms of the agreements, the Company is entitled to charge exclusive fees for the goods as specified in the agreements. In case of violation or cancellation of the agreements by the Company without reasonable reason, the suppliers have rights to refund such exclusive fees according to the valuation of the remaining period. But in case of cancellation of the agreements by the merchandise suppliers, such exclusive fees are non-refundable. The Company recognises the exclusive fees as income over the periods of agreements.

Other income

Other operating income and interest income are recognised in profit or loss on the accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

(s) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

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Notes to the financial statements

(u) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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 is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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 assets and liabilities 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.

(v) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the years attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(w) *Segment reporting*

Segment results that are reported to the chairman of the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

5 Business combinations - buy shares

At the extraordinary shareholders' meeting of the Company held on 12 June 2013, the Company's shareholders approved the following significant resolutions:

- (a) Approved the Company ("the buyer") to buy shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited ("Makro") from SHV Nederland B.V. ("the seller") in accordance with forms, terms and conditions mutually agreed upon by all parties. The total acquired shares both directly and indirectly are 154,429,500 shares, representing 64.35% of the total issued and paid-up shares of Makro ("Shares Acquisition of Makro"). The buyer and seller agreed to calculate and pay the share acquisition price in USD, totaling approximately USD 4,247 million or equivalent to approximately Baht 121,536 million, at a price of Baht 787 per share or equivalent to USD 27.50 per share (at the exchange rate of Baht 28.6181 per USD 1, which was the exchange rate on the date of executed the Sale and Purchase agreement with conditions precedent (23 April 2013), as mutually agreed upon by all parties under the Sale and Purchase agreement with conditions precedent.
- (b) Approved the Company to make a Tender Offer for the remaining shares of Makro in the amount of 81,264,900 shares, representing 33.86% of the total issued and paid-up shares of Makro, at a price of Baht 787 per share ("Tender Offer in Makro").

Shares Acquisition of Makro

The Company acquired shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited from SHV Nederland B.V. in accordance with conditions in the Sale and Purchase agreement with conditions precedent. Details of shares acquisition of Makro are as follows:

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
OHT Co., Ltd.						
- Ordinary shares	61,250	90.57	-	-	61,250	90.57
- Preferred shares ⁽¹⁾	63,748	9.42	-	-	63,748	9.42
Total	124,998	99.99	-	-	124,998	99.99
Siam Makro Holding (Thailand) Ltd.						
- Ordinary shares	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
Total	5,223,479	49.00	5,436,520	50.99	10,659,999	99.99
Siam Makro Public Company Limited						
- Ordinary shares	22,414,360	9.34	132,015,140	55.01	154,429,500	64.35
Total	22,414,360	9.34	132,015,140	55.01	154,429,500	64.35

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

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Tender Offer in Makro

On 5 August 2013 (the closing date of tender offer) the Company obtained shares of Siam Makro Public Company Limited from the completed tender offer, totaling 76,172,375 shares, representing 31.74% of the total issued and paid-up shares of Makro, totaling Baht 59,948 million.

The Company has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2009) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed:

Consideration transferred

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

Identifiable assets acquired and liabilities assumed

	Fair Value <i>(in million Baht)</i>
Cash and cash equivalents	2,545
Trade accounts receivable	183
Inventories	7,536
Other current assets	1,431
Investment properties	333
Property, plant and equipment	46,012
Leasehold rights	1,416
Intellectual property	32,106
Other intangible assets	315
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)
Other non-current liabilities	(127)
Net assets	73,155
Non-controlling interests of the acquiree (based on fair value)	(3,931)
Differences on acquisition of non-controlling interests	1,143
The Company’s previously held before business combinations in Makro	(3,324)
Goodwill	125,377
Consideration transferred	192,420

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The Company engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. The independent appraiser had completed the process of appraising the fair value in January 2014. The Company considered the information from the draft report of an independent appraiser and noted that the factors that contributed to goodwill include the benefit of 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.

For the preparation of the consolidated financial statements for the year ended 31 December 2013, the Company has adjusted the fair values of the consideration received from the acquired businesses, and measured components of non-controlling interests at fair value and recorded the difference amount between the purchasing price and the value of consideration received in the account “Goodwill” amounting to Baht 125,377 million by considering the information from the draft report of the independent appraiser and other current relevant factors which may affect such information. However, the Company has a policy to continuously review the fair value of identifiable assets acquired; such as property, plant and equipment, intellectual property and information technology, etc., and liabilities assumed; and allocation of acquisition-date fair value. In accordance with TFRS No. 3 (revised 2009), if new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

Investment in Makro before Business Combinations

Before the business combinations, the Company had an investment in Makro of 4,305,600 shares, representing 1.79% of the total issued and paid-up shares of Makro. The Company had to measure the fair value of the interest in Makro before the business combinations as at the date of acquisition. The measurement resulted in a gain, amounting to Baht 72 million, which is recognised as “Gain on changes in fair value of investment” in the consolidated statement of income for the year ended 31 December 2013.

Gain on changes in fair value of investment in Makro before business combinations is calculated as follows:

	<i>(in million Baht)</i>
Fair value of existing interest in Makro before the business combinations date	3,324
Less investment in Makro accounted for cost method at the acquisition date	(3,252)
Gain on changes in fair value of investment	<u>72</u>

Ownership Interests in Makro Shares

The ownership interests in Makro shares as at 31 December 2013 were as follows:

	<i>Ownership Interests (%)</i>
Investment in Makro before business combinations	1.79
Share acquisition of Makro at 26 June 2013	64.35
Tender offer in Makro	31.74
Total	<u>97.88</u>

CP ALL Public Company Limited and its Subsidiaries

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The Change in Par Value of Ordinary Shares of Makro

At the extraordinary general shareholders' meeting of Makro held on 20 September 2013, the Makro's shareholders approved the change of the par value of its ordinary shares from Baht 10 per share, totaling 240,000,000 shares, to Baht 0.50 per share, totaling 4,800,000,000 shares by splitting 1 ordinary share at a par value of Baht 10 per share into 20 ordinary shares at a par value of Baht 0.50 per share. Makro registered the change in the par value with the Ministry of Commerce on 4 October 2013. Consequently, the Company had a direct and indirect shares in Makro increased from 234,907,475 shares to 4,698,149,500 shares.

Operations of 3 New Subsidiaries after Acquisition Date

The Company included 3 new subsidiaries, namely (1) OHT Co., Ltd., (2) Siam Makro Holding (Thailand) Ltd., and (3) Siam Makro Public Company Limited and its subsidiaries, during the period from 1 July 2013 to 31 December 2013 in the preparation of the consolidated statement of income for the year ended 31 December 2013. Significant details are as follows:

(in million Baht)

Revenue from sale of goods and rendering of services	66,343
Profit for the period attributable to equity holders of the Company	2,280

If the acquisition had occurred on 1 January 2013, management estimates that revenue from sale of goods and rendering of services and profit for the period attributable to equity holders of the Company for the year ended 31 December 2013 would be as follows:

(in million Baht)

Revenue from sale of goods and rendering of services	129,087
Profit for the year attributable to equity holders of the Company	4,207

The Company did not include operations of 3 new subsidiaries during the period from 26 June 2013 (Acquisition date) to 30 June 2013 in the preparation of the consolidated statement of income for the year ended 31 December 2013 since the Company's management considered that there would be no material impact on the consolidated statement of income for the year ended 31 December 2013.

6 Related parties transactions

For the purposes of these 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 13 to the financial statements. Relationship with key management and other related parties were as follows:

CP ALL Public Company Limited and its Subsidiaries
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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
C.P. Tower Growth Leasehold Property Fund	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
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 Lifestyle Retail Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Universal Convergence Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
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
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
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 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

Significant transactions for the years ended 31 December 2013 and 2012 with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	9	9	9	9
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	472	402
Interest income	-	-	47	7
Dividend income	-	-	3,494	500
Other income	-	-	826	594
Selling expenses	-	-	1,304	996
Administrative expenses	-	-	1,460	1,328
Purchases of goods and services	-	-	9,738	8,597
Purchases of property, plant and equipment	-	-	1,565	1,289
Interest expense	-	-	3	-
Related companies				
Revenue from sale of goods and rendering of services	1,669	1,581	649	605
Other income	594	217	588	211
Selling expenses	46	13	-	-
Administrative expenses	600	489	536	463
Purchases of goods and services	22,703	19,762	20,316	18,271
Purchases of property, plant and equipment	6	-	-	-

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<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Key management personnel				
Key management benefit expenses				
Short-term employee benefit	494	354	382	354
Other long-term employee benefit	11	-	-	-
Severance pay for employees	23	9	18	9
Total key management benefit expenses	528	363	400	363

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

Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Related companies				
C.P. Merchandising Co., Ltd.	19	45	-	-
BFKT (Thailand) Co., Ltd	17	8	-	-
CPF Trading Co., Ltd.	11	12	-	-
True Universal Convergence Co., Ltd.	7	2	-	-
True Distribution and Sales Co., Ltd.	5	3	-	-
True Move Co., Ltd.	4	14	-	-
CPF (Thailand) Public Company Limited	3	5	-	-
True Lifestyle Retail Co., Ltd.	3	2	-	-
True Corporation Public Company Limited	1	6	-	-
Other	6	44	-	-
Total	76	141	-	-
Less allowance for doubtful accounts	(2)	(2)	-	-
Net	74	139	-	-
Bad and doubtful debts expenses for the year	-	-	-	-

Other accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiaries				
Thai Smart Card Co., Ltd.	-	-	285	215
Counter Service Co., Ltd.	-	-	119	104
CPRAM Co., Ltd. (formerly "C.P. Retailing and Marketing Co., Ltd.")	-	-	36	21
Other	-	-	8	4
Total	-	-	448	344

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Related companies				
True Money Co., Ltd.	114	113	114	113
CPF Trading Co., Ltd.	47	20	46	19
True Distribution and Sales Co., Ltd.	37	11	37	11
Real Move Co., Ltd.	36	-	36	-
CP-Meiji Co., Ltd	18	9	18	9
Allianz C.P. General Insurance Public Company Limited	8	53	8	53
C.P. Consumer Products Co., Ltd.	8	3	8	3
Other	2	3	1	4
Total	270	212	268	212
Grand total	270	212	716	556
Bad and doubtful debts expenses for the year	-	-	-	-

Investment in related company

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

Movements during the years ended 31 December 2013 and 2012 were as follows:

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

All investment in related company of the Company as at 31 December 2013 and 2012 was dominated entirely in Thai Baht.

Long-term loans to subsidiaries

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	1,600	350
Dynamic Management Co., Ltd.	-	-	-	10
Total	-	-	1,600	360

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All long-term loans to subsidiaries of the Company as at 31 December 2013 and 2012 were dominated entirely in Thai Baht.

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	360	290
Increases	-	-	1,920	610
Decreases	-	-	(680)	(540)
At 31 December	-	-	1,600	360

Interest rate as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(interest rate per annum)</i>			
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	4.75%	3.50%
Dynamic Management Co., Ltd.	-	-	-	3.50%

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

Prepaid rental and service fees

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiary				
Panyapiwat Institute of Management				
Current	-	-	30	30
Non-current	-	-	254	284
Total	-	-	284	314

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		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiaries				
CPRAM Co., Ltd. (formerly “C.P. Retailing and Marketing Co., Ltd.”)	-	-	259	271
Other	-	-	1	-
Total	-	-	260	271
Related companies				
True Money Co., Ltd.	1,573	1,546	1,568	1,536
CPF Trading Co., Ltd.	1,567	1,353	1,179	1,061
CPF (Thailand) Public Company Limited	642	439	-	-
CP-Meiji Co., Ltd.	395	278	366	278
True Distribution and Sales Co., Ltd.	235	291	235	291
C.P. Food Store Co., Ltd.	135	59	52	41
C.P. Consumer Products Co., Ltd.	122	86	93	84
C.P. Packaging Industry Co., Ltd.	91	97	90	97
Dees Supreme Co., Ltd.	85	130	84	130
Perfect Companion Group Co., Ltd.	77	33	39	33
Real Move Co., Ltd.	66	34	3	1
Other	81	62	5	7
Total	5,069	4,408	3,714	3,559
Grand total	5,069	4,408	3,974	3,830

Other accounts payable

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiaries				
Counter Service Co., Ltd.	-	-	8,136	6,146
Thai Smart Card Co., Ltd.	-	-	309	247
Gosoft (Thailand) Co., Ltd.	-	-	287	239
CP Retailink Co., Ltd. (formerly “Retailink (Thailand) Co., Ltd.”)	-	-	150	147
MAM Heart Co., Ltd	-	-	21	40
Panyatara Co., Ltd	-	-	12	12
Panyapiwat Technological College	-	-	-	32
Other	-	-	8	10
Total	-	-	8,923	6,873
Related companies				
True Universal Convergence Co., Ltd.	7	14	7	14
C.P. Intertrade Co., Ltd.	4	2	-	-
CPF Trading Co., Ltd.	3	-	-	-
Thai News Network (TNN) Co., Ltd.	2	6	2	6
Other	12	15	1	2
Total	28	37	10	22
Grand total	28	37	8,933	6,895

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term borrowing from subsidiary

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Subsidiary				
Lotus Distribution Investment Limited	-	-	2,359	-
Total	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>-</u>

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Increases	-	-	3,111	-
Decreases	-	-	(883)	-
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United State Dollar to Thai Baht	-	-	131	-
At 31 December	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>-</u>

As at 31 December 2013 the balance of short-term borrowing from subsidiary was denominated in United State Dollars, unsecured and fixed repayment term. The interest rate was fixed at 0.25% per annum.

Significant agreements with related parties

As at 31 December 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 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.

CP ALL Public Company Limited and its Subsidiaries

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- (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 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.
- (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 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 9.1 million, and place guarantee deposits with the related company totaling Baht 24.0 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. 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 for a period of 1 year ending in December 2014. 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.
- (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 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 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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

7 Cash and cash equivalents

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cash on hand	14,027	8,752	11,399	8,751
Cash at financial institutions				
- current accounts	687	489	498	301
Cash at financial institutions				
- savings accounts	7,664	7,449	3,645	5,224
Highly liquid short-term investments	2,254	6,395	100	5,092
Total	24,632	23,085	15,642	19,368

The currency denomination of cash and cash equivalents as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	22,461	21,759	15,405	19,368
China Renminbi	1,488	792	-	-
United States Dollars	677	533	237	-
Vietnamese Dong	5	-	-	-
Hong Kong Dollars	1	1	-	-
Total	24,632	23,085	15,642	19,368

8 Other investments

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Current investments</i>				
Cash at financial institutions				
- time deposits	-	10,391	-	7,327
Promissory notes	1,050	1,380	-	800
Fund managed by financial institution	-	200	-	200
Total	1,050	11,971	-	8,327
<i>Other long-term investments</i>				
Promissory notes	-	1,300	-	1,300
Government bonds	1	501	1	501
Unsecured debentures	100	390	100	390
Total	101	2,191	101	2,191
Grand total	1,151	14,162	101	10,518

Held-to-maturity investments have interest rates between 2.25% to 5.90% (2012: interest rates between 1.51% to 5.90%) and mature within 10 years (2012: mature within 10 years).

CP ALL Public Company Limited and its Subsidiaries
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The currency denomination of other investments as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	1,151	10,071	101	9,491
China Renminbi	-	3,064	-	-
United States Dollars	-	1,027	-	1,027
Total	1,151	14,162	101	10,518

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Current investments</i>				
At 1 January	11,971	9,893	8,327	5,437
Increases	5,450	13,166	3,300	12,346
Decreases	(16,467)	(10,940)	(11,658)	(9,400)
Effect of exchange rate	96	(148)	31	(56)
At 31 December	1,050	11,971	-	8,327
<i>Other long-term investments</i>				
At 1 January	2,191	1,741	2,191	1,741
Increases	-	800	-	800
Decreases	(2,090)	(350)	(2,090)	(350)
At 31 December	101	2,191	101	2,191

9 Trade accounts receivable

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	76	141	-	-
Other parties		801	418	119	101
Total		877	559	119	101
<i>Less</i> allowance for doubtful accounts		(29)	(18)	-	-
Net		848	541	119	101
Bad and doubtful debts expense for the year		11	-	-	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

Aging analyses for trade accounts receivable are as follows:

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		42	109	-	-
Overdue:					
Less than 3 months		33	31	-	-
3 - 6 months		1	1	-	-
Total		76	141	-	-
<i>Less</i> allowance for doubtful accounts		(2)	(2)	-	-
Net	6	74	139	-	-
Other parties					
Within credit terms		594	360	101	101
Overdue:					
Less than 3 months		176	53	18	-
3 - 6 months		1	2	-	-
6 - 12 months		7	-	-	-
Over 12 months		23	3	-	-
Total		801	418	119	101
<i>Less</i> allowance for doubtful accounts		(27)	(16)	-	-
Net		774	402	119	101
Grand total		848	541	119	101

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

The currency denomination of trade accounts receivable as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	834	537	119	101
United States Dollars	12	3	-	-
Pound Sterling	2	-	-	-
Hong Kong Dollars	-	1	-	-
Total	848	541	119	101

CP ALL Public Company Limited and its Subsidiaries
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10 Other accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	270	212	716	556
Other parties		1,321	1,143	1,270	1,134
Total		1,591	1,355	1,986	1,690
<i>Less</i> allowance for doubtful accounts		(15)	(7)	(6)	(7)
Net		1,576	1,348	1,980	1,683
Bad and doubtful debts expense for the year (reversal of allowance for doubtful account)		(1)	11	(1)	11

Aging analyses for other accounts receivable are as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		239	102	684	446
Overdue:					
Less than 3 months		26	64	26	64
3 - 6 months		2	2	2	2
6 - 12 months		3	44	4	44
Total	6	270	212	716	556
Other parties					
Within credit terms		1,149	943	1,115	941
Overdue:					
Less than 3 months		153	187	147	185
3 - 6 months		3	4	-	-
6 - 12 months		2	1	1	-
Over 12 months		14	8	7	8
Total		1,321	1,143	1,270	1,134
<i>Less</i> allowance for doubtful accounts		(15)	(7)	(6)	(7)
Net		1,306	1,136	1,264	1,127
Grand total		1,576	1,348	1,980	1,683

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 financial statements

The currency denomination of other accounts receivable as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	1,574	1,348	1,980	1,683
China Renminbi	2	-	-	-
Total	1,576	1,348	1,980	1,683

11 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Finished goods	20,068	9,322	9,541	8,784
Work in progress	64	52	-	-
Raw materials	320	303	-	-
Total	20,452	9,677	9,541	8,784
Less allowance for losses on slow-moving inventories	(536)	(529)	(322)	(498)
Net	19,916	9,148	9,219	8,286

The cost of inventories which is recognised as an expense and presented as part of the accounts “Cost of sale of goods and rendering of services” and “Selling expenses” in the statements of income for the year ended 31 December 2013 amounted to Baht 208,153 million (2012: Baht 138,205 million) and Baht 1,304 million (2012: Baht 1,256 million) in the consolidated financial statements, respectively, and Baht 148,728 million (2012: Baht 138,033 million) and Baht 1,305 million (2012: Baht 1,254 million) in the separate financial statements respectively.

12 Other current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Accrued income	1,898	781	785	744
Prepaid expenses	1,614	327	1,496	243
Cash card	1,295	1,281	1,295	1,281
Prepaid income tax	248	9	239	-
Receivable from Revenue Department	203	198	161	168
Loans to employees	1	31	-	23
Other	681	134	48	74
Total	5,940	2,761	4,024	2,533

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

The currency denomination of other current assets as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	5,427	2,702	4,024	2,533
China Renminbi	513	59	-	-
Total	5,940	2,761	4,024	2,533

13 Investments in subsidiaries

Movements during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	6,524	6,505
Increases	-	-	195,684	19
At 31 December	-	-	202,208	6,524

Details of the additional investments as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Gosoft (Thailand) Co., Ltd.	-	-	-	18
All Training Co., Ltd.	-	-	-	1
All Corporation Co., Ltd.	-	-	13	-
Albuera International Limited	-	-	-*	-
OHT Co., Ltd.	-	-	57,754	-
Siam Makro Holding (Thailand) Ltd.	-	-	55,490	-
Siam Makro Public Company Limited	-	-	82,427	-
Total	-	-	195,684	19

* The Company invested in Albuera International Limited amounting to USD 1.

CP ALL Public Company Limited and its Subsidiaries
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Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income for the years then ended were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests		Separate financial statements					
			2013	2012	Paid-up capital		At cost		Dividend income	
			2013		2013	2012	2013	2012	2013	2012
		2012		(in million US\$)		(in million Baht)				
		2012		(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	-	-*	-	-*	-	-	-
Total							3,857	3,857	-	-

* As at 31 December 2013 Albuera International Limited (“Albuera”) had paid-up capital amounting to USD 1 and the Company invested in Albuera amounting to USD 1.

CP ALL Public Company Limited and its Subsidiaries
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Separate financial statements (Continued)

Name of parties	Type of business	Country of incorporation	Ownership interests		Paid-up capital		At cost		Dividend income	
			2013	2012	2013	2012	2013	2012	2013	2012
<i>Local direct and indirect subsidiaries</i>										
Suksapiwat Co., Ltd.	Educational institution	Thailand	99.99	99.99	810	810	810	810	-	-
CPRAM Co., Ltd. (formerly “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, e-commerce, distributor of all types of commercial cards and tickets and insurance broker	Thailand	99.99	99.99	70	70	61	61	766	402
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	40	20
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	160	58

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 interests		Paid-up capital		At cost		Dividend income	
			2013	2012	2013	2012	2013	2012	2013	2012
			(%)				(in million Baht)			
All Corporation Limited	Holding company	Thailand	99.99	-	13	-	13	-	-	-
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	30	20
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	40	-
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	110	-
OHT Co., Ltd.	Holding company	Thailand	99.99	-	12	-	57,754	-	673	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	99.99	-	1,066	-	55,490	-	646	-
Siam Makro Public Company Limited	Cash and carry	Thailand	97.88	-	2,400	-	82,427	-	1,029	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Total							198,351	2,667	3,494	500
Grand total							202,208	6,524	3,494	500

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Notes to the financial statements

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

Name of parties	Type of business	Country of incorporation	Ownership interests	
			2013	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
Vina Siam Food Co., Ltd.	Commercial trading	Vietnam	97.88	-
<i>Local indirect subsidiaries</i>				
Panyapiwat Institute of Management	Educational institution	Thailand	99.99	99.99
Panyapiwat Technological College	Educational institution	Thailand	99.99	99.99
Siam Food Services Limited	Commercial trading	Thailand	97.88	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	
<i>Cost/revaluation</i>							
At 1 January 2012	1,909	10,336	8,270	7,625	210	2,959	31,309
Additions	532	102	1,333	1,318	3,250	196	6,731
Transfers	15	1,753	234	26	(2,313)	285	-
Disposals	-	(703)	(465)	(841)	-	(186)	(2,195)
At 31 December 2012 and 1 January 2013	2,456	11,488	9,372	8,128	1,147	3,254	35,845
Additions	1,157	127	1,867	1,807	6,503	208	11,669
Acquired through business combinations	33,667	12,235	8,602	1,270	214	75	56,063
Transfers	8	2,710	696	36	(3,727)	277	-
Disposals	-	(335)	(449)	(475)	(11)	(77)	(1,347)
At 31 December 2013	37,288	26,225	20,088	10,766	4,126	3,737	102,230

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated financial statements (Continued)						
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	Total
<i>Accumulated depreciation and impairment losses</i>							
At 1 January 2012	-	(4,056)	(5,469)	(4,922)	(2)	(1,866)	(16,315)
Depreciation charge for the year	-	(850)	(1,033)	(970)	-	(320)	(3,173)
Disposals	-	443	418	728	-	148	1,737
At 31 December 2012 and 1 January 2013	-	(4,463)	(6,084)	(5,164)	(2)	(2,038)	(17,751)
Depreciation charge for the year	-	(1,200)	(1,614)	(1,138)	-	(366)	(4,318)
Acquired through business combinations	-	(3,857)	(5,261)	(885)	-	(48)	(10,051)
Disposals	-	230	430	428	-	69	1,157
Impairment losses (reversal of impairment losses)	-	20	(11)	(3)	-	-	6
At 31 December 2013	-	(9,270)	(12,540)	(6,762)	(2)	(2,383)	(30,957)
<i>Net book value</i>							
At 1 January 2012	1,909	6,280	2,801	2,703	208	1,093	14,994
At 31 December 2012 and 1 January 2013	2,456	7,025	3,288	2,964	1,145	1,216	18,094
At 31 December 2013	37,288	16,955	7,548	4,004	4,124	1,354	71,273

CP ALL Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements						Total
	Land	Buildings, building and leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Assets under construction and installation	Other	
Cost							
At 1 January 2012	1,174	8,577	6,008	7,844	51	2,638	26,292
Additions	282	28	1,159	1,357	2,214	181	5,221
Transfers	-	1,724	10	24	(2,039)	281	-
Disposals	-	(697)	(399)	(750)	-	(181)	(2,027)
At 31 December 2012 and 1 January 2013	1,456	9,632	6,778	8,475	226	2,919	29,486
Additions	868	14	1,220	1,728	3,987	179	7,996
Transfers	7	2,081	72	6	(2,433)	267	-
Disposals	-	(296)	(292)	(399)	-	(73)	(1,060)
At 31 December 2013	2,331	11,431	7,778	9,810	1,780	3,292	36,422
Accumulated depreciation and impairment losses							
At 1 January 2012	-	(3,477)	(4,117)	(5,269)	-	(1,686)	(14,549)
Depreciation charge for the year	-	(728)	(745)	(1,046)	-	(287)	(2,806)
Disposals	-	437	355	643	-	145	1,580
At 31 December 2012 and 1 January 2013	-	(3,768)	(4,507)	(5,672)	-	(1,828)	(15,775)
Depreciation charge for the year	-	(861)	(869)	(1,148)	-	(329)	(3,207)
Disposals	-	199	286	352	-	66	903
At 31 December 2013	-	(4,430)	(5,090)	(6,468)	-	(2,091)	(18,079)
Net book value							
At 1 January 2012	1,174	5,100	1,891	2,575	51	952	11,743
At 31 December 2012 and 1 January 2013	1,456	5,864	2,271	2,803	226	1,091	13,711
At 31 December 2013	2,331	7,001	2,688	3,342	1,780	1,201	18,343

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

As at 31 December 2013 the Group had assets under finance leases with a net book value amounted to Baht 179 million (2012: nil)

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2013 amounted to Baht 13,978 million (2012: Baht 8,732 million) in the consolidated financial statements and Baht 8,334 million (2012: Baht 7,549 million) in the separate financial statements, respectively.

15 Goodwill

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
Cost					
At 1 January		137	137	-	-
Acquired through business combinations	5	125,377	-	-	-
At 31 December		125,514	137	-	-
Impairment losses					
At 1 January		-	-	-	-
Impairment losses		-	-	-	-
At 31 December		-	-	-	-
Net book value					
At 1 January		137	137	-	-
At 31 December		125,514	137	-	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

16 Other intangible assets

	Consolidated financial statements			Total
	Computer software in use and under development	Intellectual property <i>(in million Baht)</i>	Other	
<i>Cost/revaluation</i>				
At 1 January 2012	1,278	-	4	1,282
Additions	321	-	-	321
Disposals	(12)	-	-	(12)
Currency translation differences	(1)	-	-	(1)
At 31 December 2012 and 1 January 2013	1,586	-	4	1,590
Acquired through business combinations	225	32,106	246	32,577
Additions	479	-	-	479
Transfers	(80)	-	-	(80)
Disposals	(5)	-	-	(5)
Currency translation differences	(4)	-	-	(4)
At 31 December 2013	2,201	32,106	250	34,557
<i>Accumulated amortisation</i>				
At 1 January 2012	(597)	-	(1)	(598)
Amortisation charge for the year	(108)	-	-	(108)
Disposals	12	-	-	12
At 31 December 2012 and 1 January 2013	(693)	-	(1)	(694)
Amortisation charge for the year	(155)	-	(7)	(162)
Acquired through business combinations	(156)	-	-	(156)
Disposals	1	-	-	1
At 31 December 2013	(1,003)	-	(8)	(1,011)
<i>Net book value</i>				
At 1 January 2012	681	-	3	684
At 31 December 2012 and 1 January 2013	893	-	3	896
At 31 December 2013	1,198	32,106	242	33,546

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

	Separate Financial statements
	Computer software in use and under development <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2012	901
Additions	205
Disposals	(13)
At 31 December 2012 and 1 January 2013	1,093
Additions	147
Disposals	(1)
At 31 December 2013	1,239
<i>Accumulated amortisation</i>	
At 1 January 2012	(451)
Amortisation charge for the year	(71)
Disposals	12
At 31 December 2012 and 1 January 2013	(510)
Amortisation charge for the year	(96)
Disposals	1
At 31 December 2013	(605)
Net book value	
At 1 January 2012	450
At 31 December 2012 and 1 January 2013	583
At 31 December 2013	634

The gross amount of the Group's and the Company's fully amortised other intangible assets that were still in use as at 31 December 2013 amounted to Baht 697 million (2012: Baht 493 million) in the consolidated financial statements and Baht 556 million (2012: Baht 471 million) in the separate financial statements, respectively.

17 Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Deferred tax assets	547	370	257	269
Deferred tax liabilities	(203)	(1)	(202)	-
Net deferred tax assets	344	369	55	269

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

Movements in deferred tax assets and liabilities during the years ended 31 December 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 34) (in million Baht)	At 31 December 2013 before include the acquired through business combinations	Acquired through business combinations (Note 5)	At 31 December 2013
<i>Deferred tax assets (liabilities)</i>							
Trade accounts receivable	-	4	4	(1)	3	1	4
Inventories	-	105	105	(21)	84	72	156
Property, plant and equipment	-	25	25	(9)	16	52	68
Other current liabilities	-	-	-	(203)	(203)	-	(203)
Employee benefit obligations	-	181	181	39	220	61	281
Tax losses	-	41	41	(30)	11	-	11
Other	-	13	13	1	14	13	27
Net	-	369	369	(224)	145	199	344

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

	Consolidated financial statements				At 31 December 2012
	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 34)	
<i>(in million Baht)</i>					
Deferred tax assets					
Trade accounts receivable	-	4	4	-	4
Inventories	-	96	96	9	105
Property, plant and equipment	-	25	25	-	25
Employee benefit obligations	-	146	146	35	181
Tax losses	-	71	71	(30)	41
Other	-	10	10	3	13
Net	-	352	352	17	369

	Separate financial statements				At 31 December 2013
	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 34)	
<i>(in million Baht)</i>					
Deferred tax assets (liabilities)					
Trade accounts receivable	-	1	1	-	1
Inventories	-	100	100	(36)	64
Property, plant and equipment	-	24	24	-	24
Other current liabilities	-	-	-	(202)	(202)
Employee benefit obligations	-	141	141	23	164
Other	-	3	3	1	4
Net	-	269	269	(214)	55

	Separate financial statements				At 31 December 2012
	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 34)	
<i>(in million Baht)</i>					
Deferred tax assets					
Trade accounts receivable	-	2	2	(1)	1
Inventories	-	88	88	12	100
Property, plant and equipment	-	24	24	-	24
Employee benefit obligations	-	122	122	19	141
Other	-	-	-	3	3
Total	-	236	236	33	269

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Prepaid rental and service fees	866	687	1,070	983
Guarantee deposit	732	584	726	579
Other	17	5	2	2
Total	1,615	1,276	1,798	1,564

19 Interest-bearing liabilities

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Current					
Short-term borrowings from financial institutions					
Liabilities under trust receipts					
- unsecured		106	-	-	-
Promissory notes - unsecured		5,060	-	2,000	-
Short-term borrowings					
- secured		129,977	-	129,977	-
Total		135,143	-	131,977	-
Short-term borrowing from subsidiary - unsecured	6	-	-	2,359	-
Total		-	-	2,359	-
Current portion of liabilities under finance leases		28	-	-	-
Total		28	-	-	-
Total current		135,171	-	134,336	-
Non-current					
Debentures		50,000	-	50,000	-
Liabilities under finance leases		165	-	-	-
Total non-current		50,165	-	50,000	-
Grand total		185,336	-	184,336	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

The currency denomination of interest-bearing liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht	55,359	-	52,000	-
United States Dollars	129,977	-	132,336	-
Total	185,336	-	184,336	-

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2013 and 2012 were as follow:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Within one year	135,143	-	134,336	-
After one year but within five years	24,088	-	24,088	-
After five years	25,912	-	25,912	-
Total	185,143	-	184,336	-

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2013 and 2012 were as follows:

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
At 1 January		-	2,173	-	-
Increases		199,013	-	197,951	-
Acquired through business combinations	5	2,104	-	-	-
Decreases		(67,970)	(2,173)	(67,970)	-
Unrealised loss on exchange rates from translation of outstanding borrowing balance of United States Dollars to Thai Baht		1,996	-	1,996	-
At 31 December		135,143	-	131,977	-

As at 31 December 2013 the Group had liabilities under trust receipts with local financial institutions which bear interest rates ranging from 2.95% to 3.11% per annum (2012: nil).

As at 31 December 2013 the Group had promissory notes issued to local financial institutions denominated in Thai Baht which bear interest rates ranging from 2.78% to 3.53% per annum and mature within December 2014 (2012: nil).

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

In June 2013 the Company entered into a secured short-term borrowing agreement with certain financial institutions totaling USD 6,000 million (or equivalent to approximately Baht 197,696 million, using exchange rate as at 31 December 2013) with floating interest rate at LIBOR plus agreed applicable margin at market rates per annum. As at 31 December 2013 the Company had drawdown the short-term borrowings totaling USD 5,773 million (or equivalent to approximately Baht 190,207 million) for payment of the acquired shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited (see note 5 to the financial statements). In this regard, the Company must pledge shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, which were obtained from business combinations through the shares acquisition on 26 June 2013 and the tender offer, as collateral for the borrowings; and must comply with the specified covenants, such as to maintain leverage ratio and interest coverage ratio in the annual financial statements during the borrowing period, etc. As at 31 December 2013, the Company had cancelled unutilised credit facilities totaling USD 227 million.

As at 31 December 2013 the Company pledged shares of OHT Co., Ltd., Siam Makro Holding (Thailand) Ltd., and Siam Makro Public Company Limited, which were obtained from business combinations through the shares acquisition on 26 June 2013 and the tender offer with the acquired price totaling Baht 195,671 million.

Debentures

On 31 October 2013 the Company issued Baht 50,000 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 11,841 million, fully repayable on 31 October 2016 and bearing interest at the fixed rate of 4.10% per annum.
- Debentures term of 5 years of Baht 12,247 million, fully repayable on 31 October 2018 and bearing interest at the fixed rate of 4.70% per annum.
- Debentures term of 7 years of Baht 10,790 million, fully repayable on 31 October 2020 and bearing interest at the fixed rate of 5.10% per annum.
- Debentures term of 10 years of Baht 15,122 million, fully repayable on 31 October 2023 and bearing interest at the fixed rate of 5.35% per annum.

These series of debentures have a credit rating of “A+(tha)” updated by Fitch Ratings (Thailand) Limited on 24 October 2013 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 31 October 2013.

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.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

Finance lease liabilities

Details of finance leases liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in million Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	44	(16)	28	-	-	-
After one year but within 5 years	147	(42)	105	-	-	-
After 5 years	71	(11)	60	-	-	-
Total	262	(69)	193	-	-	-

As at 31 December 2013 the Group entered into finance lease contracts covering its equipment. Under the terms of the contracts, the Company must comply with certain conditions as stipulated in the agreements.

Unutilised credit facilities

As at 31 December 2013 the Group had unutilised credit facilities totaling Baht 957 million (2012: Baht 432 million)

20 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Related parties	6	5,069	4,408	3,974	3,830
Other parties		49,665	28,172	23,644	21,910
Total		54,734	32,580	27,618	25,740

The currency denomination of trade accounts payable as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Thai Baht	54,378	32,531	27,618	25,740
United States Dollars	299	21	-	-
Australian Dollars	26	-	-	-
Pound Sterling	14	-	-	-
Euro	12	20	-	-
Yen	5	8	-	-
Total	54,734	32,580	27,618	25,740

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

21 Other accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	6	28	37	8,933	6,895
Other parties		2,948	1,738	1,480	1,096
Total		2,976	1,775	10,413	7,991

The currency denomination of other accounts payable as at 31 December 2013 and 2012 were as follows:

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Thai Baht		2,960	1,730	10,413	7,991
Yen		14	42	-	-
Euro		1	3	-	-
United States Dollars		1	-	-	-
Total		2,976	1,775	10,413	7,991

22 Other current liabilities

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Accrued personnel expenses		2,169	1,849	1,253	1,600
Accrued royalties and other accrued expenses		1,332	1,126	454	725
Deferred royalties income		859	895	859	895
Accrued advertising and sale promotion expenses		751	439	656	405
Accrued utilities expenses		531	386	391	360
Accrued interest expense		505	-	507	-
Advance receipts from customers		390	253	-	-
Accrued rental fees		125	138	125	137
Other		621	378	294	280
Total		7,283	5,464	4,539	4,402

The currency denomination of other current liabilities as at 31 December 2013 and 2012 were as follows:

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Thai Baht		7,182	5,462	4,444	4,402
United States Dollars		95	-	95	-
China Renminbi		6	2	-	-
Total		7,283	5,464	4,539	4,402

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements

23 Employee benefit obligations

The Group operates the severance pay plan for employees based on the requirements of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Statement of financial position obligations for:				
Severance pay for employees	1,486	955	819	704
Total	1,486	955	819	704
<i>Year ended 31 December</i>				
Statement of income				
Recognised in profit or loss:				
Severance pay for employees	239	232	121	124
Total	239	232	121	124

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Unrecognised transitional obligation as at 1 January	114	152	41	54
Recognised through profit or loss for the year	(38)	(38)	(13)	(13)
Unrecognised transitional obligation as at 31 December	76	114	28	41

Movements in the present value of the defined benefit obligations

<i>Year ended 31 December</i>	<i>Note</i>	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		(14)	(35)	(7)	(32)
Transitional obligation recognised		38	38	13	13
Current service costs and interest		179	194	104	111
Defined benefit plan actuarial losses		22	-	4	-
Acquired through business combinations	5	304	-	-	-
Transfer employee benefits obligations from related companies		2	-	1	-
Defined benefit obligations at 31 December		1,486	955	819	704

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Actuarial losses recognised in the statement of income for the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Recognised during the year	22	-	4	-
At 31 December	22	-	4	-

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

	Consolidated/Separate financial statements	
	2013	2012
Discount rate (%)	4.10	4.16
Retirement age (<i>year</i>)	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.

24 Accrued guarantee deposits

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Guarantee deposits payable to franchisees	2,599	2,369	2,497	2,263
Other accrued guarantee deposits	575	463	561	453
Total	3,174	2,832	3,058	2,716

25 Share capital

	<i>Par value per share (in Baht)</i>	Consolidated financial statements/ Separate financial statements			
		2013		2012	
		Number of shares	Baht	Number of shares	Baht
		<i>(in million)</i>			
Authorised					
At 1 January					
- ordinary shares	1	8,986	8,986	4,500	4,500
Reduction of shares	1	-	-	(7)	(7)
Issue of shares	1	-	-	4,493	4,493
At 31 December					
- ordinary shares	1	8,986	8,986	8,986	8,986
Issued and paid-up					
At 1 January					
- ordinary shares	1	8,983	8,983	4,493	4,493
Issue of shares	1	-	-	4,490	4,490
At 31 December					
- ordinary shares	1	8,983	8,983	8,983	8,983

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved:

- (a) To decrease the Company's authorised share capital from Baht 4,500 million (4,500,000,000 shares at Baht 1 par value) to Baht 4,493 million (4,493,148,024 shares at Baht 1 par value) by cancellation the remaining registered ordinary shares from the stock dividend allocation and from the stock issued to support the exercising of the rights under ESOP totaling 6,851,976 shares with a par value of Baht 1 per share. The Company registered the reduction of the authorised share capital with the Ministry of Commerce on 3 May 2012.
- (b) To increase the Company's authorised share capital from Baht 4,493 million (4,493,148,024 shares at Baht 1 par value) (after reduction the above registered capital) to Baht 8,986 million (8,986,296,048 shares at Baht 1 par value) by the issuance of 4,493,148,024 new common shares at a ratio of 1 existing share to 1 new share with a par value of Baht 1 per share to support the stock dividend payment. However, some shareholders did not have right to receive this allocation of new shares totalling 3,194,700 shares which was equal to Baht 3,194,700. Thus, the Company had the issued and paid-up share capital of Baht 8,983 million (8,983,101,348 shares). The Company registered the increase of share capital and registered the issued and paid-up share capital with the Ministry of Commerce on 4 May 2012 and 15 May 2012 respectively.

Share premium

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

26 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved to appropriate legal reserve from its retained earnings of Baht 450 million, thereby increasing the legal reserve from Baht 450 million to Baht 900 million, which is 10% of the Company's authorised share capital.

Other components of equity

Currency translation differences

The currency translation differences recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.

Differences on acquisition of non-controlling interests

Differences on acquisition of non-controlling interests recognised in equity relate to difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid.

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27 Segment information

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

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

Other operations include bill payment services, frozen food plant and bakery, and distributor of retailing equipment. None of these segments meets the quantitative thresholds for determining reportable segments in 2013 and 2012.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain relative to other entities that operate within these industries.

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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Information about reportable segments of the Group for the years ended 31 December 2013 and 2012 were as follows:

Business segment results

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Revenue from sale of goods and rendering of services	201,669	184,799	66,343	-	19,496	16,812	(15,222)	(12,909)	272,286	188,702
Interest income	373	569	27	-	128	165	(50)	(6)	478	728
Dividend income	3,495	504	-	-	-	-	(3,495)	(500)	-	4
Net foreign exchange gain	-	22	-	-	-	17	-	-	-	39
Other income	11,958	8,801	356	-	453	251	(861)	(709)	11,906	8,343
Total revenues	<u>217,495</u>	<u>194,695</u>	<u>66,726</u>	<u>-</u>	<u>20,077</u>	<u>17,245</u>	<u>(19,628)</u>	<u>(14,124)</u>	<u>284,670</u>	<u>197,816</u>
Cost of sale of goods and rendering of services	148,728	138,033	59,363	-	14,959	12,750	(12,393)	(10,692)	210,657	140,091
Selling expenses	43,345	36,306	3,431	-	1,478	1,366	(1,850)	(1,411)	46,404	36,261
Administrative expenses	10,987	7,699	991	-	1,552	1,292	(1,625)	(1,515)	11,905	7,476
Net foreign exchange loss	607	-	-	-	(37)	-	-	-	570	-
Finance costs	2,179	-	38	-	10	6	(13)	(6)	2,214	-
Total expenses	<u>205,846</u>	<u>182,038</u>	<u>63,823</u>	<u>-</u>	<u>17,962</u>	<u>15,414</u>	<u>(15,881)</u>	<u>(13,624)</u>	<u>271,750</u>	<u>183,828</u>
Profit before income tax expense	<u>11,649</u>	<u>12,657</u>	<u>2,903</u>	<u>-</u>	<u>2,115</u>	<u>1,831</u>	<u>(3,747)</u>	<u>(500)</u>	<u>12,920</u>	<u>13,988</u>

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Business segment financial position

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Cash and cash equivalents	15,642	19,368	5,011	-	3,979	3,717	-	-	24,632	23,085
Current investments	-	8,327	-	-	1,050	3,644	-	-	1,050	11,971
Trade accounts receivable	119	101	278	-	3,144	5,904	(2,693)	(5,464)	848	541
Other accounts receivable	1,980	1,683	27	-	6,767	1,707	(7,198)	(2,042)	1,576	1,348
Inventories	9,219	8,286	9,792	-	927	881	(22)	(19)	19,916	9,148
Investment in subsidiaries	202,208	6,524	-	-	6,861	773	(209,069)	(7,297)	-	-
Other long-term investments	101	2,191	-	-	-	-	-	-	101	2,191
Investment properties	-	-	333	-	-	-	-	-	333	-
Property, plant and equipment	18,343	13,711	46,882	-	6,195	4,407	(147)	(24)	71,273	18,094
Goodwill	-	-	125,377	-	137	137	-	-	125,514	137
Leasehold rights	382	325	1,601	-	-	-	(30)	-	1,953	325
Other intangible assets	634	583	32,692	-	306	396	(86)	(83)	33,546	896
Deferred tax assets	55	269	207	-	82	100	-	-	344	369
Other assets	7,446	4,481	1,341	-	3,483	387	(4,691)	(805)	7,579	4,063
Total assets	256,129	65,849	223,541	-	32,931	22,053	(223,936)	(15,734)	288,665	72,168
Overdrafts and short-term borrowings from financial institutions	131,977	-	3,166	-	-	-	-	-	135,143	-
Trade accounts payable	27,618	25,740	18,177	-	9,623	7,419	(684)	(579)	54,734	32,580
Other accounts payable	10,413	7,991	1,107	-	743	747	(9,286)	(6,963)	2,977	1,775
Debentures	50,000	-	-	-	-	-	-	-	50,000	-
Accrued guarantee deposits	3,058	2,716	-	-	202	429	(86)	(313)	3,174	2,832
Other liabilities	7,716	6,230	2,633	-	3,743	1,943	(4,462)	(548)	9,630	7,625
Total liabilities	230,782	42,677	25,083	-	14,311	10,538	(14,518)	(8,403)	255,658	44,812

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	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Capital expenditure	8,297	5,529	2,053	-	2,435	1,806	(247)	(180)	12,538	7,155
Depreciation	3,207	2,806	715	-	584	539	(188)	(172)	4,318	3,173
Amortisation - leasehold rights	98	87	48	-	-	-	-	-	146	87
Amortisation - other intangible assets	96	71	28	-	54	50	(16)	(13)	162	108
(Gain) loss on disposal and write-off of property, plant and equipment	93	154	16	-	1	(3)	-	-	110	151
Gain on leasehold rights	(8)	(7)	-	-	-	-	-	-	(8)	(7)

Geographic and business segment results

	Thailand		Other		Eliminate		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>							
Revenue from sale of goods and rendering of services from external customers	272,230	188,702	103	-	(47)	-	272,286	188,702
Segment assets	283,714	67,625	5,008	4,543	(57)	-	288,665	72,168
Property, plant and equipment	71,260	18,085	13	9	-	-	71,273	18,094

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28 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Sale promotion income	6,550	4,526	6,550	4,526
Income on royalties and other fees relating to licenses income	1,285	1,049	1,285	1,049
Other	4,000	2,768	4,123	3,226
Total	11,835	8,343	11,958	8,801

29 Selling expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Convenience store management fees	11,924	10,004	11,924	10,004
Employee benefit expenses	9,582	7,173	8,270	6,851
Advertising and sale promotion expenses	6,730	4,706	6,532	4,781
Utilities expenses	4,879	3,821	4,432	3,801
Rental fees	3,835	3,359	3,788	3,350
Depreciation and amortisation	3,209	2,273	2,740	2,417
Other	6,246	4,925	5,659	5,102
Total	46,405	36,261	43,345	36,306

30 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Employee benefit expenses	5,570	4,636	4,547	4,483
Rental fees	1,084	746	1,055	738
Depreciation and amortisation	605	385	361	310
Utilities expenses	239	189	169	152
Other	4,407	1,519	4,855	2,016
Total	11,905	7,475	10,987	7,699

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31 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Salaries, wages and bonus	17,993	14,167	12,996	11,294
Staff welfares	587	529	317	306
Contribution to social security fund	346	246	261	201
Contribution to provident fund	159	106	104	87
Training expenses	49	35	664	614
Other	117	123	32	29
Total	19,251	15,206	14,374	12,531

The Company and its local subsidiaries have jointly established a contributory registered provident fund to which the Company, subsidiaries and employees each contribute monthly at the rates ranging from 2% to 3% of the employees' basic salaries. The Company's and the subsidiaries' contributions to the provident fund are recorded as expenses in the statement of income as incurred. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

32 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature were as follows:

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Changes in inventories of finished goods and work in progress		(3,102)	(538)	(757)	(447)
Purchase of finished goods		198,335	127,854	144,942	134,954
Raw materials and consumables used		5,322	4,635	-	-
Employee benefit expenses	31	19,251	15,206	14,374	12,531
Depreciation	14	4,318	3,173	3,207	2,806
Amortisation - leasehold rights		146	87	98	87
Amortisation - other intangible assets	16	162	108	96	71
Rental fees		5,055	4,227	4,941	4,170
Utilities expenses		5,509	4,320	4,702	4,021
Advertising and sale promotion expenses		6,792	4,713	6,532	4,781
Convenience store management fees		11,924	10,004	11,924	10,004
Other		15,254	10,038	13,001	9,060
Total cost of sales of goods and rendering of services, selling expenses and administrative expenses		268,966	183,827	203,060	182,038

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33 Finance costs

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Finance costs paid to:				
Subsidiaries	-	-	3	-
Financial institutions	2,205	-	2,176	-
Other parties under finance lease	9	-	-	-
Total	2,214	-	2,179	-

34 Income tax expense

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Current tax					
Current year		2,068	2,930	1,175	2,675
		2,068	2,930	1,175	2,675
Deferred income tax					
Movements in temporary differences		194	(47)	214	(33)
Benefit of tax losses recognised		30	30	-	-
	17	224	(17)	214	(33)
Total		2,292	2,913	1,389	2,642

Reconciliation of effective tax rate

	Consolidated financial statements				
	Applicable tax rate (%)	0%	20%	Other	Total
		<i>(in million Baht)</i>			
2013					
Accounting profit before income tax expense		254	12,643	24	12,921
Income tax at the applicable tax rates		-	2,529	-	2,529
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit		-	(207)	-	(207)
Benefit of tax losses recognised		-	(30)	-	(30)
Net		-	2,292	-	2,292

	Consolidated financial statements				
	Applicable tax rate (%)	0%	23%	Other	Total
		<i>(in million Baht)</i>			
2012					
Accounting profit before income tax expense		504	13,366	118	13,988
Income tax at the applicable tax rates		-	3,074	-	3,074
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit		-	(131)	-	(131)
Benefit of tax losses recognised		-	(30)	-	(30)
Net		-	2,913	-	2,913

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Applicable tax rate (%)	Separate financial statements	
	20% (in million Baht) 2013	23% 2012
Accounting profit before income tax expense	11,649	12,657
Income tax at the applicable tax rates	<u>2,330</u>	<u>2,911</u>
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(941)	(269)
Net	<u>1,389</u>	<u>2,642</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 2015 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.

35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, a local subsidiary has been granted privileges by the Board of Investment relating to the production of ready-to-serve foods or semi ready-to-serve foods, bakery, and chill. The privileges granted include:

- (a) an exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates;
- (c) an exemption from payment of import duty on necessary raw materials and supplies to be used in the production for export sales for a period of 1 year from the first import date;
- (d) an exemption from the payment of import duty on imported goods with the re-export condition for a period of 1 year from the first import date;
- (e) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period the Company being granted exemption; and
- (f) a permission to deduct 25% of installation costs or construction costs of assets necessary for the Company's operation besides a deduction of their normal depreciation.

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Revenue from sales of goods under the promoted business of the subsidiary for the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements	
	2013	2012
	<i>(in million Baht)</i>	
Export sales	30	60
Domestic sales	5,808	4,400
Total	<u>5,838</u>	<u>4,460</u>

As a promoted company, the subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

36 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht/million shares)</i>			
Profit for the year attributable to equity holders of the Company	<u>10,537</u>	<u>11,049</u>	<u>10,260</u>	<u>10,015</u>
Weighted average number of ordinary shares outstanding during the year	<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>1.17</u>	<u>1.23</u>	<u>1.14</u>	<u>1.11</u>

37 Dividends

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.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the Company's shareholders approved the appropriation of 2011 annual cash dividend payment of Baht 1.25 per share for 4,493,148,024 ordinary shares, totaling Baht 5,617 million, and stock dividend payment at a ratio of 1 existing share to 1 stock dividend for 4,493,148,024 ordinary shares, totaling stock dividend of 4,493,148,024 shares, with a par value of Baht 1 per share, totaling Baht 4,493 million (dividend payment rate at 1 Baht per 1 share), from the profit attributable to equity holders of the Company for the year 2011. The cash and stock dividends, totaling Baht 10,110 million, were paid to the Company's shareholders on 18 May 2012 and 21 May 2012 respectively.

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38 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns to the Company's shareholders and benefits to other stakeholders. The management sets strategies to support the Company's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group managed the interest rate risk of financial assets and financial liabilities by considering fixed and floating rate depend on the market situation.

The effective interest rates of financial assets as at 31 December 2013 and 2012 and the periods in which the financial assets mature were as follows:

	Effective interest rate (%)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2013					
Current					
- Debt securities	2.25 - 3.00	1,050	-	-	1,050
Total		1,050	-	-	1,050
Non-current					
- Debt securities	4.38 - 5.90	-	1	100	101
Total		-	1	100	101

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Consolidated financial statements					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2012					
Current					
- Cash at financial institutions					
- time deposits	1.51 - 3.80	10,391	-	-	10,391
- Debt securities	3.00 - 3.30	1,380	-	-	1,380
- Fund managed by financial institution	3.50	200	-	-	200
Total		11,971	-	-	11,971
Non-current					
- Debt securities	2.60 - 5.90	-	2,091	100	2,191
Total		-	2,091	100	2,191
Separate financial statements					
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2013					
Non-current					
- Debt securities	4.38 - 5.90	-	1	100	101
- Long-term loans to subsidiaries	4.75	-	1,600	-	1,600
Total		-	1,601	100	1,701
2012					
Current					
- Cash at financial institutions					
- time deposits	1.51 - 3.80	7,327	-	-	7,327
- Debt securities	3.30	800	-	-	800
- Fund managed by financial institution	3.50	200	-	-	200
Total		8,327	-	-	8,327
Non-current					
- Debt securities	2.60 - 5.90	-	2,091	100	2,191
- Long-term loans to subsidiaries	3.50	-	360	-	360
Total		-	2,451	100	2,551

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The effective interest rates of interest-bearing liabilities as at 31 December 2013 and 2012 and the periods in which interest-bearing liabilities mature were as follows:

	Effective interest rate (%)	Consolidated financial statements				Total
		Within 1 year	After 1 year but within 5 years	After 5 years	(in million Baht)	
2013						
Current						
- Liabilities under trust receipts	2.95 - 3.11	106	-	-	106	
- Promissory notes	2.78 - 3.53	5,060	-	-	5,060	
- Short-term borrowings from financial institutions	LIBOR plus addition	129,977	-	-	129,977	
- Current portion of liabilities under finance leases	9.00	28	-	-	28	
Total		135,171	-	-	135,171	
Non-current						
- Debentures	4.10 - 5.35	-	24,088	25,912	50,000	
- Liabilities under finance leases	9.00	-	105	60	165	
- Guarantee deposits payable to franchisees	2.20 - 2.75	-	102	2,497	2,599	
Total		-	24,295	28,469	52,764	
2012						
Non-current						
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	106	2,263	2,369	
Total		-	106	2,263	2,369	
	Effective interest rate (%)	Separate financial statements				Total
		Within 1 year	After 1 year but within 5 years	After 5 years	(in million Baht)	
2013						
Current						
- Promissory notes	3.40	2,000	-	-	2,000	
- Short-term borrowings from financial institutions	LIBOR plus addition	129,977	-	-	129,977	
- Short-term borrowings from subsidiary	0.25	2,359	-	-	2,359	
Total		134,336	-	-	134,336	
Non-current						
- Debentures	4.10 - 5.35	-	24,088	25,912	50,000	
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	-	2,497	2,497	
Total		-	24,088	28,409	52,497	

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	Effective interest rate (%)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in million Baht)	After 5 years	
2012					
Non-current					
- Guarantee deposits payable to franchisees	2.50 - 2.75	-	-	2,263	2,263
Total		-	-	2,263	2,263

Foreign currency risk

The Group is exposed to foreign currency risk relating to borrowing from financial institution, borrowing from subsidiary, purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales of goods, denominated in foreign currencies, for the subsequent period.

At 31 December 2013 and 2012 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Foreign currency	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Cash and cash equivalents					
Foreign currency	China Renminbi	1,488	792	-	-
	United States Dollars	677	533	237	-
	Vietnamese Dong	5	-	-	-
	Hong Kong Dollars	1	1	-	-
Other investments					
Foreign currency	China Renminbi	-	3,064	-	-
	United States Dollars	-	1,027	-	1,027
Forward currency contracts	United States Dollars	-	1,027	-	1,027
Trade accounts receivable and other accounts receivable					
Foreign currency	United States Dollars	12	3	-	-
	Pound Sterling	2	-	-	-
	China Renminbi	2	-	-	-
	Hong Kong Dollars	-	1	-	-
Other current assets					
Foreign currency	China Renminbi	513	59	-	-

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	Foreign currency	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Short-term borrowings from financial institutions					
Foreign currency	United States Dollars	129,977	-	129,977	-
Forward currency contracts - to sell	United States Dollars	122,742	-	122,742	-
Short term borrowings from subsidiary					
Foreign currency	United States Dollars	-	-	2,359	-
Trade accounts payable and other accounts payable					
Foreign currency	United States Dollars	300	21	-	-
	Australian Dollars	26	-	-	-
	Yen	19	50	-	-
	Pound Sterling	14	-	-	-
	Euro	13	23	-	-
Forward currency contracts	United States Dollars	40	9	-	-
	Australian Dollars	39	-	-	-
	Pound Sterling	2	-	-	-
	Euro	-	19	-	-
	Yen	-	8	-	-
Other current liabilities					
Foreign currency	United States Dollars	95	-	95	-
	China Renminbi	6	2	-	-
Forward currency contracts - to buy	Euro	136	32	-	-
	Yen	76	252	-	-
Forward currency contracts - to sell	United States Dollars	49	60	-	-
	Euro	37	2	-	-
	United States Dollars	14	4	-	-
	Pound Sterling	9	10	-	-
	Swiss Franc	1	4	-	-

Credit risk

Credit risk is the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group estimates the fair value of financial instruments; cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, and short-term borrowing from financial institution and subsidiary, equal to their amounts carried in the statements of financial position because of the short-term maturity of those financial instruments.

The fair value of non-current loans to subsidiaries is considered to be the carrying value because they bear interest at market rates.

The fair value of forward exchange contracts approximates the expected amounts that can be traded in the current exchange rate market.

The fair value of long-term debts is taken to approximate the carrying value because most of these financial instruments bear interest rates at close to market rates.

39 Supplemental disclosures of cash flows information

Property, plant and equipment purchased during the years ended 31 December 2013 and 2012 were detailed as follows:

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
Increase during the year	14	11,669	6,731	7,996	5,221
Less - payables		(308)	(384)	(274)	(190)
- assets under finance leases		(89)	-	-	-
Purchase and paid by cash		<u>11,272</u>	<u>6,347</u>	<u>7,722</u>	<u>5,031</u>

40 Commitments with non-related parties

Capital commitments

		Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Contracted but not provided for (construction cost of new plants and installation cost of machinery, and computer system development costs)		<u>2,279</u>	<u>778</u>	<u>-</u>	<u>-</u>
Total		<u>2,279</u>	<u>778</u>	<u>-</u>	<u>-</u>

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Non-cancellable operating lease commitments

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Within one year	5,438	4,248	5,124	4,194
After one year but within five years	10,331	7,151	9,248	7,084
After five years	1,622	2	-	-
Total	17,391	11,401	14,372	11,278

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 and 2041.

Other commitments

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	472	80	-	-
Total	472	80	-	-

Letter of guarantee

As at 31 December 2013 the Group has commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, rental agreements and others totaling Baht 838 million and USD 0.3 million (2012 : Baht 645 million and USD 0.3 million)

Significant agreements

As at 31 December 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 termination of the agreements.

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- (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.
- (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 31 days to 11 months, and will expire on various dates until April 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 December 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 December 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.

41 Events after the reporting period

- 41.1 At the Company's Board of Directors meeting held on 7 August 2013, the Company's Board of Directors approved to set up a local direct subsidiary, 24 Shopping Co., Ltd., with the initial authorised share capital of Baht 30 million; and call for a fully paid-up share capital. The subsidiary registered the authorised share capital and the call for a fully paid-up share capital with the Ministry of Commerce on 2 January 2014.

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41.2 At the Board of Directors meeting of a local subsidiary (Siam Makro Public Company Limited) held on 19 February 2014, the subsidiary's Board of Directors has unanimously resolved to propose to the Annual General Shareholders' meeting of the subsidiary for approval the final dividend payment for the year 2013 from net income for the year ended 31 December 2013 of Baht 0.30 per share for 4,800,000,000 ordinary shares, totaling Baht 1,440 million. The declaration of final dividend payment must be approved by the Annual General Shareholders' meeting of the year 2014.

42 Thai Financial Reporting Standards not yet adopted

The Group has not adopted the following new and revised Thai Financial Reporting Standards ("TFRS") that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group's operation, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follow:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of Financial Statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TIC 15	Operating Leases-Incentive	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management is of the opinion that the adoption of these new and revised TFRS in accordance with the FAP's announcement, for the period from 1 January 2014 will not have a significant impact on the Group's financial statements.