

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2017
and
Independent Auditor's Report
on Review of Interim Financial Information



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of CP ALL Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of CP ALL Public Company Limited and its subsidiaries, and of CP ALL Public Company Limited, respectively, as at 30 September 2017; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2017; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2017; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



Emphasis of Matter

I draw attention to note 3 to the interim financial statements; at the reporting date, an independent appraiser of the Group is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed from the business acquisitions. For the preparation of the consolidated interim financial statements for the three-month and nine-month periods ended 30 September 2017, the Group has provisionally estimated the fair values of the identifiable assets acquired and liabilities assumed from the business acquisitions by considering information in the latest draft appraisal report obtained from the independent appraiser and recorded the difference between the purchasing price and values of the assets and liabilities in the account "Goodwill" amounting to Baht 2,237 million. My conclusion is not modified in respect of this matter.

A handwritten signature in black ink, appearing to read 'Munchupa Singsuksawat'.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
13 November 2017

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Assets		2017	2016	2017	2016
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		28,709,117	33,443,166	20,634,140	23,734,916
Current investments		1,372,000	1,375,805	-	-
Trade accounts receivable	4,5	1,449,924	1,026,397	78,170	135,154
Other current receivables	4	6,370,256	6,633,063	4,763,057	4,672,571
Short-term loans to subsidiaries	4	-	-	4,200,000	4,825,000
Inventories	4	24,929,014	26,704,520	12,244,298	11,768,808
Other current assets		719,863	716,181	430,189	622,675
Total current assets		63,550,174	69,899,132	42,349,854	45,759,124
Non-current assets					
Investments in subsidiaries	6	-	-	205,574,115	205,536,615
Investment in related company	4	34,000	34,000	34,000	34,000
Other long-term investments		412	412	-	-
Other non-current receivables	4	1,471,104	1,529,606	1,092,776	1,058,319
Investment properties		332,832	332,832	-	-
Property, plant and equipment	4,7	104,282,644	99,127,338	27,529,351	25,638,562
Goodwill	3	128,309,793	126,072,806	-	-
Leasehold rights	4	4,039,278	3,310,401	339,846	353,623
Other intangible assets	3,4	50,926,548	50,276,020	1,151,877	1,085,225
Deferred tax assets		928,942	837,609	423,586	397,025
Other non-current assets		950,999	847,897	1,068,538	1,009,599
Total non-current assets		291,276,552	282,368,921	237,214,089	235,112,968
Total assets		354,826,726	352,268,053	279,563,943	280,872,092

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	
		30 September 2017 (Unaudited)	31 December 2016	30 September 2017 (Unaudited)	31 December 2016
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	8	6,738,581	3,515,916	-	-
Trade accounts payable	4	66,372,688	66,958,802	36,389,041	33,621,094
Other payables	4	14,593,024	13,229,466	15,772,412	15,624,827
Current portion of debentures	8	8,500,000	25,937,000	8,500,000	25,937,000
Current portion of long-term borrowings from financial institutions	8	2,006,511	2,000,000	-	-
Current portion of finance lease liabilities		116,879	101,129	-	-
Income tax payable		716,912	1,063,028	203,212	310,253
Other current liabilities		923,189	1,012,769	635,091	598,425
Total current liabilities		99,967,784	113,818,110	61,499,756	76,091,599
Non-current liabilities					
Debentures	8	153,009,700	154,221,800	153,009,700	154,221,800
Long-term borrowings from financial institutions	8	4,273,723	2,585,235	-	-
Finance lease liabilities		715,894	744,892	-	-
Provisions for employee benefit		2,757,910	2,521,713	1,549,234	1,395,639
Accrued guarantee deposits		3,501,047	3,342,475	3,398,210	3,220,006
Deferred tax liabilities		15,191,078	15,154,065	-	-
Other non-current liabilities		494,890	276,559	63,681	30,391
Total non-current liabilities		179,944,242	178,846,739	158,020,825	158,867,836
Total liabilities		279,912,026	292,664,849	219,520,581	234,959,435

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

CP ALL Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2017 (Unaudited)	31 December 2016	30 September 2017 (Unaudited)	31 December 2016
<i>(in thousand Baht)</i>					
Shareholders' equity					
Share capital					
Authorised share capital		8,986,296	8,986,296	8,986,296	8,986,296
Issued and paid-up share capital		8,983,101	8,983,101	8,983,101	8,983,101
Additional paid-in capital					
Premium on ordinary shares		1,684,317	1,684,317	1,684,317	1,684,317
Retained earnings					
Appropriated					
Legal reserve		900,000	900,000	900,000	900,000
Unappropriated		40,495,320	35,343,854	28,566,790	24,392,314
Other components of shareholders' equity					
		(1,858,279)	(1,668,029)	-	-
Total		50,204,459	45,243,243	40,134,208	35,959,732
Subordinated perpetual debentures	9	19,909,154	9,952,925	19,909,154	9,952,925
Equity attributable to equity holders of the Company					
		70,113,613	55,196,168	60,043,362	45,912,657
Non-controlling interests		4,801,087	4,407,036	-	-
Total shareholders' equity		74,914,700	59,603,204	60,043,362	45,912,657
Total liabilities and shareholders' equity					
		354,826,726	352,268,053	279,563,943	280,872,092

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

CP ALL Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		For the three-month period ended 30 September		For the three-month period ended 30 September	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Revenues	4				
Revenue from sale of goods and rendering of services		118,241,828	108,642,041	70,844,644	64,964,342
Interest income		45,095	59,408	80,095	82,711
Dividend income		44	39	1,977,553	1,694,521
Net foreign exchange gain		4,550	28,142	30	31
Other income		4,923,553	4,297,996	4,923,944	4,320,303
Total revenues		123,215,070	113,027,626	77,826,266	71,061,908
Expenses	4				
Cost of sale of goods and rendering of services		91,742,078	84,599,591	51,057,511	46,787,955
Distribution costs		20,003,348	18,063,436	16,959,219	15,395,667
Administrative expenses		3,621,147	3,219,615	2,742,314	2,546,418
Finance costs		2,000,204	2,159,679	1,909,557	2,082,282
Total expenses		117,366,777	108,042,321	72,668,601	66,812,322
Profit before income tax expense		5,848,293	4,985,305	5,157,665	4,249,586
Income tax expense	11	852,968	832,198	368,209	350,636
Profit for the period		4,995,325	4,153,107	4,789,456	3,898,950
Profit attributable to:					
Equity holders of the Company		4,970,338	4,115,162	4,789,456	3,898,950
Non-controlling interests		24,987	37,945	-	-
Profit for the period		4,995,325	4,153,107	4,789,456	3,898,950
Basic earnings per share (Baht)	12	0.53	0.46	0.51	0.43

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month		For the three-month	
	period ended 30 September		period ended 30 September	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Profit for the period	4,995,325	4,153,107	4,789,456	3,898,950
Other comprehensive income				
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>				
Exchange differences on translation financial statement	(43,059)	(135,833)	-	-
	<u>(43,059)</u>	<u>(135,833)</u>	-	-
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>				
Losses on remeasurement of defined benefit plans	-	(159,776)	-	(113,994)
Income tax income relating to components of other comprehensive income on losses on remeasurement of defined benefit plans	-	29,667	-	22,798
	<u>-</u>	<u>(130,109)</u>	<u>-</u>	<u>(91,196)</u>
Other comprehensive income for the period, net of income tax income	(43,059)	(265,942)	-	(91,196)
Total comprehensive income for the period	<u>4,952,266</u>	<u>3,887,165</u>	<u>4,789,456</u>	<u>3,807,754</u>
Total comprehensive income attributable to:				
Equity holders of the Company	4,932,048	3,849,390	4,789,456	3,807,754
Non-controlling interests	20,218	37,775	-	-
Total comprehensive income for the period	<u>4,952,266</u>	<u>3,887,165</u>	<u>4,789,456</u>	<u>3,807,754</u>

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

CP ALL Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the nine-month		For the nine-month	
		period ended 30 September		period ended 30 September	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Revenues	4				
Revenue from sale of goods and rendering of services		347,704,572	323,608,485	205,766,420	191,833,923
Interest income		182,897	154,181	278,204	205,372
Dividend income		134	117	5,122,628	4,325,886
Net foreign exchange gain		-	94,414	-	31
Other income		13,482,350	12,584,606	13,401,380	12,583,135
Total revenues		361,369,953	336,441,803	224,568,632	208,948,347
Expenses	4				
Cost of sale of goods and rendering of services		270,509,703	252,887,690	147,990,313	137,537,256
Distribution costs		56,994,351	53,007,878	48,235,668	45,073,576
Administrative expenses		10,653,024	9,145,664	7,828,052	7,303,749
Net foreign exchange loss		8,790	-	52	-
Finance costs		6,054,038	6,310,877	5,791,748	6,102,284
Total expenses		344,219,906	321,352,109	209,845,833	196,016,865
Profit before income tax expense		17,150,047	15,089,694	14,722,799	12,931,482
Income tax expense	11	2,670,216	2,608,916	1,317,277	1,318,505
Profit for the period		14,479,831	12,480,778	13,405,522	11,612,977
Profit attributable to:					
Equity holders of the Company		14,382,512	12,375,795	13,405,522	11,612,977
Non-controlling interests		97,319	104,983	-	-
Profit for the period		14,479,831	12,480,778	13,405,522	11,612,977
Basic earnings per share (Baht)	12	1.55	1.38	1.44	1.29

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month		For the nine-month	
	period ended 30 September		period ended 30 September	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Profit for the period	14,479,831	12,480,778	13,405,522	11,612,977
Other comprehensive income				
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>				
Exchange differences on translation financial statement	<u>(202,401)</u>	<u>(493,043)</u>	<u>-</u>	<u>-</u>
	(202,401)	(493,043)	-	-
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>				
Losses on remeasurement of defined benefit plans	-	(159,776)	-	(113,994)
Income tax income relating to components of other comprehensive income on losses on remeasurement of defined benefit plans	<u>-</u>	<u>29,667</u>	<u>-</u>	<u>22,798</u>
	-	(130,109)	-	(91,196)
Other comprehensive income for the period, net of income tax income	<u>(202,401)</u>	<u>(623,152)</u>	<u>-</u>	<u>(91,196)</u>
Total comprehensive income for the period	<u>14,277,430</u>	<u>11,857,626</u>	<u>13,405,522</u>	<u>11,521,781</u>
Total comprehensive income attributable to:				
Equity holders of the Company	14,192,262	11,752,816	13,405,522	11,521,781
Non-controlling interests	<u>85,168</u>	<u>104,810</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>14,277,430</u>	<u>11,857,626</u>	<u>13,405,522</u>	<u>11,521,781</u>

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

CP ALL Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements										
	Retained earnings				Other components of shareholders' equity						
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated retained earnings	Exchange differences on translation financial statement	Differences on acquisition of non-controlling interests	Total other components of shareholders' equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total shareholders' equity	
For the nine-month period ended 30 September 2017	8,983,101	1,684,317	900,000	35,343,854	(525,443)	(1,142,586)	(1,668,029)	9,952,925	55,196,168	4,407,036	59,603,204
Balance at 1 January 2017	-	-	-	(8,983,101)	-	-	-	-	(8,983,101)	(90,647)	(9,073,748)
Transactions with equity holders, recorded directly in equity	-	-	-	(8,983,101)	-	-	-	-	(8,983,101)	(90,647)	(9,073,748)
<i>Distributions to equity holders</i>	-	-	-	(8,983,101)	-	-	-	-	(8,983,101)	(90,647)	(9,073,748)
<i>Dividends</i>	-	-	-	(8,983,101)	-	-	-	-	(8,983,101)	(90,647)	(9,073,748)
<i>Total distributions to equity holders</i>	-	-	-	(8,983,101)	-	-	-	-	(8,983,101)	(90,647)	(9,073,748)
<i>Changes in ownership interests in subsidiaries</i>	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	399,530	399,530
<i>Total changes in ownership interests in subsidiaries</i>	-	-	-	-	-	-	-	-	-	399,530	399,530
Total transactions with equity holders, recorded directly in equity	-	-	-	(8,983,101)	-	-	-	-	(8,983,101)	308,883	(8,674,218)
Comprehensive income for the period	-	-	-	14,382,512	(190,250)	-	(190,250)	-	14,382,512	97,319	14,479,831
Profit	-	-	-	14,382,512	(190,250)	-	(190,250)	-	14,382,512	97,319	14,479,831
Other comprehensive income	-	-	-	-	-	-	-	-	(190,250)	(12,151)	(202,401)
Total comprehensive income for the period	-	-	-	14,382,512	(190,250)	-	(190,250)	-	14,192,262	85,168	14,277,430
Issuance of subordinated perpetual debentures	-	-	-	-	-	-	-	9,956,229	9,956,229	-	9,956,229
Interest payment on subordinated perpetual debentures	-	-	-	(247,945)	-	-	-	-	(247,945)	-	(247,945)
Balance at 30 September 2017	8,983,101	1,684,317	900,000	40,495,320	(715,693)	(1,142,586)	(1,858,279)	19,909,154	70,113,613	4,801,087	74,914,700

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

CP ALL Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements								
	Retained earnings	Other components of shareholders' equity							
		Exchange differences on		Total other		Equity	Total		
Issued and paid-up share capital	Premium on ordinary shares	Unappropriated retained earnings	translation financial statement	Differences on acquisition of non-controlling interests	components of shareholders' equity of the Company	attributable to equity holders of the Company	shareholders' equity		
Note									
For the nine-month period ended 30 September 2016									
Balance at 1 January 2016	8,983,101	1,684,317	900,000	26,894,168	30,440	(1,112,145)	37,349,441	4,326,296	41,675,737
Transactions with equity holders, recorded directly in equity									
Distributions to equity holders									
Dividends	-	-	-	(8,084,791)	-	-	(8,084,791)	(82,499)	(8,167,290)
Total transactions with equity holders, recorded directly in equity	-	-	-	(8,084,791)	-	-	(8,084,791)	(82,499)	(8,167,290)
Comprehensive income for the period									
Profit	-	-	-	12,375,795	-	-	12,375,795	104,983	12,480,778
Other comprehensive income	-	-	-	(130,090)	(492,889)	(492,889)	(622,979)	(173)	(623,152)
Total comprehensive income for the period	-	-	-	12,245,705	(492,889)	(492,889)	11,752,816	104,810	11,857,626
Balance at 30 September 2016	8,983,101	1,684,317	900,000	31,055,082	(462,449)	(1,142,585)	41,017,466	4,348,607	45,366,073

(in thousand Baht)

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

CP ALL Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements				Total shareholders' equity
				Legal reserve	Unappropriated retained earnings	Subordinated perpetual debentures		
<i>(in thousand Baht)</i>								
For the nine-month period ended 30 September 2017								
Balance at 1 January 2017		8,983,101	1,684,317	900,000	24,392,314	9,952,925	45,912,657	
Transactions with equity holders, recorded directly in equity								
<i>Distributions to equity holders</i>								
Dividends	13	-	-	-	(8,983,101)	-	(8,983,101)	
Total transactions with equity holders, recorded directly in equity		-	-	-	(8,983,101)	-	(8,983,101)	
Comprehensive income for the period								
Profit		-	-	-	13,405,522	-	13,405,522	
Total comprehensive income for the period		-	-	-	13,405,522	-	13,405,522	
Issuance of subordinated perpetual debentures	9	-	-	-	-	9,956,229	9,956,229	
Interest payment on subordinated perpetual debentures	9	-	-	-	(247,945)	-	(247,945)	
Balance at 30 September 2017		8,983,101	1,684,317	900,000	28,566,790	19,909,154	60,043,362	

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

CP ALL Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Retained earnings	Unappropriated retained earnings	
	<i>Note</i>					
						(<i>in thousand Baht</i>)
For the nine-month period ended 30 September 2016						
Balance at 1 January 2016	8,983,101	1,684,317	900,000	18,469,243	30,036,661	
Transactions with equity holders, recorded directly in equity						
<i>Distributions to equity holders</i>						
Dividends	-	-	-	(8,084,791)	(8,084,791)	
Total transactions with equity holders, recorded directly in equity	-	-	-	(8,084,791)	(8,084,791)	
Comprehensive income for the period						
Profit	-	-	-	11,612,977	11,612,977	
Other comprehensive income	-	-	-	(91,196)	(91,196)	
Total comprehensive income for the period	-	-	-	11,521,781	11,521,781	
Balance at 30 September 2016	8,983,101	1,684,317	900,000	21,906,233	33,473,651	

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

CP ALL Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month		For the nine-month	
	period ended 30 September		period ended 30 September	
Note	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	14,479,831	12,480,778	13,405,522	11,612,977
<i>Adjustments to reconcile profit to cash receipts</i>				
Depreciation	6,471,997	5,527,636	3,962,778	3,458,448
Amortisation of leasehold rights	207,852	204,941	82,252	85,597
Amortisation of other intangible assets	399,505	395,069	136,734	138,043
Interest income	(182,897)	(154,181)	(278,204)	(205,372)
Dividend income	(134)	(117)	(5,122,628)	(4,325,886)
Finance costs	6,054,038	6,310,877	5,791,748	6,102,284
Income tax expense	2,670,216	2,608,916	1,317,277	1,318,505
Provisions for employee benefit	274,111	223,099	153,000	124,300
Reversal of allowance for losses on slow-moving inventories	(66,930)	(81,660)	(54,079)	(93,743)
(Reversal of) impairment for losses on property, plant and equipment	800	(1,270)	-	-
Bad and doubtful debts expenses	1,806	6,011	-	-
Unrealised (gain) loss on exchange	(5,272)	11,230	-	-
Gain on disposal of investment properties	-	(749)	-	-
Loss on disposal and write-off of property, plant and equipment	78,485	17,266	66,137	20,593
Gain on disposal of leasehold rights	(6,384)	(9,347)	(6,384)	(9,347)
Loss on write-off of other intangible assets	103	-	103	-
	<u>30,377,127</u>	<u>27,538,499</u>	<u>19,454,256</u>	<u>18,226,399</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	129,725	(92,966)	56,984	25,002
Other receivables	280,830	(336,537)	(115,927)	64,447
Inventories	2,182,127	2,065,475	(421,411)	(182,470)
Other current assets	13,695	1,833,336	192,463	1,833,353
Other non-current assets	(98,557)	(205,730)	(58,939)	588,004
Trade accounts payable	(841,439)	(5,419,375)	2,767,947	(1,647,367)
Other payables	1,582,596	1,630,583	294,973	(498,513)

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

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the nine-month period ended 30 September		For the nine-month period ended 30 September	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Other current liabilities		(93,969)	156,865	36,666	188,409
Provisions for employee benefit paid		(42,285)	(7,168)	(5,821)	(1,822)
Transferred in (out) of provisions for employee benefit		1,263	(290)	6,416	(2,293)
Accrued guarantee deposits		158,572	212,595	178,204	191,358
Other non-current liabilities		113,649	126,901	33,290	24,823
Net cash generated from operating		33,763,334	27,502,188	22,419,101	18,809,330
Income tax paid		(3,181,340)	(3,261,574)	(1,450,879)	(1,555,223)
Net cash from operating activities		30,581,994	24,240,614	20,968,222	17,254,107
Cash flows from investing activities					
Interest received		195,243	115,915	269,188	164,848
Dividends received		134	117	5,122,628	4,325,886
Acquisition of current investments		(1,329,717)	(1,957,000)	-	-
Proceeds from sale of current investments		1,333,639	1,975,841	-	-
Cash outflow on short-term loans to subsidiaries	4	-	-	(110,000)	(1,679,000)
Proceeds from repayment of short-term loans to subsidiaries	4	-	-	735,000	17,000
Acquisition of investments in subsidiaries	6	-	-	(37,500)	(2,906,984)
Acquisition of investment in related company	4	-	(10,000)	-	(10,000)
Proceeds from sale of investment properties		-	1,117	-	-
Acquisition of property, plant and equipment	14	(11,347,975)	(12,539,704)	(5,503,003)	(5,314,641)
Proceeds from sale of property, plant and equipment		104,843	228,355	74,147	46,328
Acquisition of leasehold rights		(959,719)	(207,038)	(71,829)	(57,208)
Proceeds from sale of leasehold rights		9,761	9,617	9,761	9,617
Acquisition of other intangible assets	14	(583,998)	(557,774)	(209,661)	(144,333)
Proceeds from sale of other intangible assets		179	185	-	-
Net cash outflows on acquisition of subsidiaries	3	(2,618,402)	-	-	-
Net cash from (used in) investing activities		(15,196,012)	(12,940,369)	278,731	(5,548,487)

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

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

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September		For the nine-month period ended 30 September	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Cash flows from financing activities					
Interest paid		(6,621,137)	(6,484,220)	(6,424,130)	(6,341,208)
Interest paid on subordinated perpetual debentures	9	(247,945)	-	(247,945)	-
Dividends paid to equity holders of the Company		(8,982,783)	(8,084,896)	(8,982,783)	(8,084,896)
Dividends paid to non-controlling interests		(90,647)	(82,499)	-	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(135,287)	(105,051)	-	-
Proceeds from short-term borrowings from financial institutions	8	2,844,360	-	-	-
Repayment of short-term borrowings from financial institutions	8	-	(7,005,993)	-	(9,000,000)
Proceeds from issue of debentures	8	7,500,000	19,000,000	7,500,000	19,000,000
Repayment of debentures	8	(26,149,100)	-	(26,149,100)	-
Proceeds from long-term borrowings from financial institutions	8	1,771,917	215,833	-	-
Proceeds from issue of subordinated perpetual debentures	9	9,956,229	-	9,956,229	-
Acquisition of subsidiaries with non-controlling interests		189,415	-	-	-
Net cash used in financing activities		(19,964,978)	(2,546,826)	(24,347,729)	(4,426,104)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(4,578,996)	8,753,419	(3,100,776)	7,279,516
Effect of exchange rate changes on cash and cash equivalents		(155,053)	(78,415)	-	-
Net increase (decrease) in cash and cash equivalents		(4,734,049)	8,675,004	(3,100,776)	7,279,516
Cash and cash equivalents at beginning of period		33,443,166	21,518,252	23,734,916	15,329,709
Cash and cash equivalents at end of period		28,709,117	30,193,256	20,634,140	22,609,225

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

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For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

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CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim financial statements have been prepared from the Thai language interim financial statements, and were approved and authorised for issue by the Board of Directors on 13 November 2017.

1 General information

CP ALL Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 313 C.P. Tower, 24th Floor, Silom Road, Kwang Silom, Khet Bangrak, Bangkok 10500, Thailand.

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

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

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

The Company operates convenience stores under the “7-Eleven” trademark and franchises to other retailers in the territory of Thailand. The number of 7-Eleven convenience stores as at 30 September 2017 was 10,152 stores (31 December 2016: 9,542 stores).

	30 September 2017	31 December 2016
	<i>(number of stores)</i>	
The Company owns and manages convenience stores	4,536	4,205
The Company franchises the license to other retailers		
- under management agreements	4,910	4,645
- under sub-license agreements	706	692
Total	10,152	9,542

Details of the Company’s subsidiaries as at 30 September 2017 and 31 December 2016 are given in note 6 to the interim financial statements.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2016) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2016.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2016 except that the Group has adopted all the new and revised Thai Financial Reporting Standards (“TFRS”) that will be effective for annual periods beginning on or after 1 January 2017.

(b) *Functional and presentation currency*

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

(c) *Use of judgements and estimates*

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2016.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer (CFO).

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 3 and 15 to the interim financial statements.

3 Business combination by acquisition of shares

At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited ("Siam Makro")) held on 8 August 2016, the subsidiary's Board of Directors approved Siam Food Services Limited ("SFS"), a direct wholly-owned subsidiary of Siam Makro to enter into a sale and purchase agreement dated 31 October 2016 with non-related persons of Siam Makro (the "sellers") for an acquisition of ordinary shares at 80% shareholding each of 4 companies, which are engaging in food services business, namely Indoguna (Singapore) Pte Ltd (a company incorporated in Singapore), Indoguna Dubai L.L.C (a company incorporated in the United Arab Emirates), Just Meat Company Limited and Indoguna Lordly Company Limited (formerly "Lordly Company Limited") (both companies incorporated in Hong Kong Special Administrative Region of the People's Republic of China), with a cash payment amounting to SGD 110.6 million, which is equivalent to Baht 2,744 million (exchange rate of Baht 24.81: SGD 1). SFS has accomplished the terms according to the sale and purchase agreement and the share transfer has been completed on 26 January 2017 ("the acquisition date"). Conditionally, within 90 days from the acquisition date, SFS can propose the adjusted acquisition value ("the additional acquisition value") in accordance with the terms of the sale and purchase agreement. On 27 June 2017, SFS and the sellers agreed to adjust value of additional acquisition value amounting to Baht 101 million; and the payment was completed on 17 July 2017. In addition, SFS still have an obligation to make a contingent consideration in accordance with EBITDA as stipulated in the agreement.

On 26 January 2017 ("the acquisition date"), SFS has control over the 4 subsidiaries, details are as follows:

	Number of direct holding shares	(%)	Number of indirect holding shares	(%)	Total holding shares	(%)
Indoguna (Singapore) Pte Ltd						
- Ordinary shares	985,263	80	-	-	985,263	80
Total	985,263	80	-	-	985,263	80
Indoguna Dubai L.L.C						
- Ordinary shares	117	39	123*	41*	240	80
Total	117	39	123	41	240	80
Just Meat Company Limited						
- Ordinary shares	800	80	-	-	800	80
Total	800	80	-	-	800	80
Indoguna Lordly Company Limited (formerly "Lordly Company Limited")						
- Ordinary shares	8,000	80	-	-	8,000	80
Total	8,000	80	-	-	8,000	80

* Owned by nominee holders.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

The Group has applied Thai Financing Reporting Standards (“TFRS”) No. 3 (revised 2016) *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 and transferable

(in million Baht)

Cash paid	2,744
Additional acquisition value	101
Contingent consideration as stipulated in the agreement	232
Total	3,077

Contingent consideration

As stipulated in the agreement, SFS agreed to make an additional contingent consideration to the seller when the seller achieves targeted EBITDA.

SFS recorded contingent consideration determined by the best estimate, amounting to Baht 232 million (fair value at the acquisition date), based on discount rates at 2.06% per annum in 2018 and 2.12% per annum in 2019 (fair value is categorised into level 3 in the fair value hierarchy).

The following tables show the valuation technique and the key unobservable inputs used in the determination of fair value of the contingent consideration.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of conditions as stipulate in the agreement, the amount to be paid under each scenario, and the probability of each scenario.	<ul style="list-style-type: none">• Risk-adjusted discount rate (at 2.06% per annum and 2.12% per annum)• Forecast EBITDA margin	<ul style="list-style-type: none">• The estimated fair value would increase if the risk-adjusted discount rate was lower.• The estimated fair value will be decreased if the EBITDA will not achieve in accordance with conditions stipulated in the agreement

For the fair value of contingent consideration, changing one or more of the significant unobservable inputs used to reasonably possible alternative assumptions would have the effects. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable inputs that might reasonably have been considered by a market participant to price the contingent consideration at the end of the reporting date. Any interrelationship between the unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Sensitivity analysis

For the fair values of contingent consideration, reasonably possible changes at 30 September 2017 to one of the significant unobservable inputs, holding other inputs constant, the significant unobservable inputs that would have effects to fair values of contingent consideration and profit or loss are as follows:

	Consolidated financial statement 30 September 2017 (in million Baht)
<i>Effect to increase (decrease) in profit</i>	
EBITDA in 2017 is not achieved conditions as stipulated in the agreement but EBITDA in 2018 is achieved conditions as stipulated in the agreement.	2
EBITDA in 2017 is achieved conditions as stipulated in the agreement but EBITDA in 2018 is not achieved conditions as stipulated in the agreement	115
EBITDA in 2017 and 2018 is not achieved conditions as stipulated in the agreement	232

The Group engaged independent appraisers to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. At the report date, the independent appraisers is still in the process of appraising the fair value of those; and the fair value appraisal has not yet been completed. The principal factors that contributed to goodwill are the synergy benefits from the exchange of knowledge and skills among personnel, which increases the operating efficiency of the Group and product development. Moreover, centralisation will create economies of scale, which in turn generates cost efficiency, especially in distribution centers. Goodwill from the business acquisition will not qualify for any tax deduction.

For the preparation of the consolidated interim financial statement for the three-month and nine-month periods ended 30 September 2017, the Group has provisionally estimated the fair values of the identifiable assets acquired and liabilities assumed from the business acquisitions by considering information in the latest draft appraisal report obtained from the independent appraiser and recorded the difference between the purchasing price and values of the assets and liabilities in the account "Goodwill" amounting to Baht 2,237 million. (The Group previously recorded "Goodwill" in the consolidated interim financial statement for the three-month period ended 31 March 2017 and the six-month period ended 30 June 2017 amounting to Baht 2,280 million and Baht 2,237 million respectively).

Identifiable assets acquired and liabilities assumed

	Fair value (in million Baht)
Cash and cash equivalents	126
Trade accounts receivable	553
Other current receivables	11
Inventories	340
Other current assets	11
Property, plant and equipment	303
Other intangible assets	540

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Identifiable assets acquired and liabilities assumed (continued)

	Fair value <i>(in million Baht)</i>
Short-term borrowings from financial institutions	(379)
Trade accounts payable	(258)
Other payables	(31)
Current portion of long-term borrowings from financial institutions	(7)
Current portion of finance lease liabilities	(4)
Income tax payable	(11)
Other current liabilities	(4)
Long-term borrowings from financial institutions	(25)
Finance lease liabilities	(13)
Provisions for employee benefit	(3)
Deferred tax liabilities	(99)
Net assets	1,050
Non-controlling interests of the acquiree (based on their proportionate interest in the recognised amount of the net identifiable assets of the acquiree)	(210)
Goodwill	2,237
Consideration transferred and transferable	3,077
Net cash obtained from the acquisition of subsidiaries	126
Cash paid	(2,744)
Net cash outflows as at 30 September 2017	(2,618)

The Group 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 2016) *Business Combination*, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

Expenses related to business acquisitions

The Group had expenses related to business acquisitions, which are principally related to legal and due diligence fees, totaling Baht 64 million. The expenses were recorded in the administrative expenses account. The Group recorded a part of the expenses amounting to Baht 17 million in the consolidated statement of income for the year ended 31 December 2016. The remaining expenses amounting to Baht 47 Million were recorded in the consolidated statement of income for the nine-month period ended 30 September 2017.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Operations of 4 new subsidiaries after acquisition date

In the preparation of the consolidated statement of income for the three-month and nine-month periods ended 30 September 2017, the Group included the operation results of 4 new subsidiaries for the period from 26 January 2017 to 30 September 2017. Significant details are as follows:

	For the three-month period ended 30 September 2017	For the period from 26 January 2017 to 30 September 2017
	<i>(in million Baht)</i>	
Revenue from sale of goods	596	1,690
Profit for the period attributable to equity holders of the Company	3	31

If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue from sale of goods and rendering of services of the Group and consolidated profit for the period attributable to equity holders of the Company in the consolidated statement of income for three-month and nine-month periods ended 30 September 2017 would have no material increased.

4 Related parties

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

Relationships with subsidiaries are described in note 6 to the interim financial statements. Relationships with key management and other related parties were as follows:

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

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For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Name of parties	Country of incorporation/ nationality	Nature of relationships
True Money Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 2 common directors
CPF (Thailand) Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CPF IT Center Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
CP B&F (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
C.P. Land Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Lifestyle Retail Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Internet Corporation Co., Ltd. (formerly "True Universal Convergence Co., Ltd.")	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
True Internet Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Perfect Companion Group Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
Freewill Solutions Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
EGG Digital Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P.Vietnam Corporation	Vietnam	Charoen Pokphand Group Company Limited is a major shareholder and 1 common director
C.P. Tower Growth Leasehold Property Fund	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
BFKT (Thailand) Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Charoen Pokphand Seeds Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Chester's Food Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
CPF Trading Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Packaging Industry Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
Leadership Development Charoen Pokphand Group 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

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Name of parties	Country of incorporation/ nationality	Nature of relationships
True Distribution and Sales Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Move H Universal Communication Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Leasing Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True Internet Data Center Co., Ltd.	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
True United Football Club 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
Allianz C.P. General Insurance Public Company Limited	Thailand	Charoen Pokphand Group Company Limited is a major shareholder
C.P. Food Store Co., Ltd.	Thailand	One of the Company's director is a major shareholder
Dees Supreme Co., Ltd.	Thailand	One of the Company's director is a major shareholder
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for particular types of transactions with related parties 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	Source of fund cost plus capital management expenses
Dividend income	Right to receive dividends
Purchase of goods and services	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Rental and service fees	Rates advised by the lessors and service providers
Technical service fees	Contract prices determined by the terms and conditions used in the normal course of business
Insurance premiums	Standard rates as specified by the insurers
Interest expense	Agreed rates stipulated in the agreements
Purchase of property, plant and equipment	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies
Purchase of leasehold rights and other intangible assets	Prices determined by the terms and conditions used in the normal course of business comparable to those for non-related companies

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Significant transactions for the three-month and nine-month periods ended 30 September 2017 and 2016 with related parties were as follows:

<i>For the three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	15	2	15	2
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	171	159
Interest income	-	-	53	47
Dividend income	-	-	1,978	1,695
Other income	-	-	360	338
Distribution costs	-	-	323	368
Administrative expenses	-	-	638	556
Purchases of goods and services	-	-	5,349	4,657
Purchases of property, plant and equipment and other intangible assets	-	-	620	562
Other related companies				
Revenue from sale of goods and rendering of services	482	565	156	185
Other income	259	482	247	476
Distribution costs	17	16	-	-
Administrative expenses	194	162	153	121
Purchases of goods and services	10,449	8,820	7,536	6,807
Purchases of property, plant and equipment, leasehold rights and other intangible assets	19	1	-	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	149	148	104	102
Severance pay for employees	2	4	1	2
Total key management benefit expenses	151	152	105	104

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

<i>For the nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Ultimate parent company				
Administrative expenses	20	7	20	7
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	502	459
Interest income	-	-	164	124
Dividend income	-	-	5,123	4,326
Other income	-	-	996	941
Distribution costs	-	-	1,028	929
Administrative expenses	-	-	1,760	1,612
Purchases of goods and services	-	-	15,491	13,251
Purchases of property, plant and equipment and other intangible assets	-	-	1,703	1,703
Other related companies				
Revenue from sale of goods and rendering of services	1,410	1,356	552	598
Other income	1,007	1,667	979	1,652
Distribution costs	48	49	-	-
Administrative expenses	503	420	360	301
Purchases of goods and services	29,597	25,494	21,590	20,361
Purchases of property, plant and equipment, leasehold rights and other intangible assets	41	1	-	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	508	487	351	334
Severance pay for employees	7	10	3	6
Total key management benefit expenses	515	497	354	340

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Balances as at 30 September 2017 and 31 December 2016 with related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Related companies	198	160	-	-
Less allowance for doubtful accounts	-	(2)	-	-
Net	198	158	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Bad and doubtful debts expense (Reversal of allowance for doubtful accounts) for the				
- three-month period ended 30 September	(2)	-	-	-
- nine-month period ended ended 30 September	(2)	-	-	-

Other receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Current				
Subsidiaries	-	-	492	552
Other related companies	769	335	632	311
Total	769	335	1,124	863
Non-current				
Subsidiary	-	-	141	164
Total	-	-	141	164

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the				
- three-month period ended 30 September	-	-	-	-
- nine-month period ended ended 30 September	-	-	-	-

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

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, and were recorded in the accounts “other current receivables” and “other non-current receivables”. The Company amortised the prepaid rental and service fees as an expense according to the terms of the agreements (15 years).

Short-term loans to subsidiaries

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
CPRAM Co., Ltd.	-	-	3,750	4,000
CP Retailink Co., Ltd.	-	-	450	750
Dynamic Management Co., Ltd.	-	-	-	75
Total	-	-	4,200	4,825

Movements during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	-	-	4,825	2,900
Increases	-	-	110	1,679
Decreases	-	-	(735)	(17)
At 30 September	-	-	4,200	4,562
At 31 December	-	-	-	4,825

As at 30 September 2017 the outstanding balance of short-term loans to the subsidiaries was unsecured and at call; and the interest rate was fixed at 4.75% per annum. (31 December 2016: 4.75% per annum)

Investment in related company

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
True GS Co., Ltd.	34	34	34	34
Total	34	34	34	34

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Movements during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	34	24	34	24
Increase	-	10	-	10
At 30 September	34	34	34	34
At 31 December		34		34

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Subsidiaries	-	-	1,821	1,506
Other related companies	7,243	6,790	5,261	4,878
Total	7,243	6,790	7,082	6,384

Other payables

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Subsidiaries	-	-	8,240	8,044
Other related companies	204	109	51	30
Total	204	109	8,291	8,074

Future minimum lease payments under non-cancellable operating leases

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Within one year	178	51	122	7
After one year but within five years	288	137	150	4
After five years	146	152	-	-
Total	612	340	272	11

The Group has lease agreements covering lease of buildings, vehicles and other assets for periods of 1 to 25 years, which will expire between 2017 to 2039.

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Significant agreements with related parties

As at 30 September 2017 the Group had the following significant agreements with related parties.

- (a) The Company has a service agreement with addendum 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 2017. In consideration thereof, the Company agreed to pay a monthly service fee to the ultimate parent company totaling Baht 2.3 million.
- (b) The Company has a cash management agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide cash management services under conditions stipulated in the agreement to the subsidiary. In consideration thereof, the subsidiary agreed to pay a cash management service fee to the Company at the rates stipulated in the agreement, and the Company agreed to pay benefits for cash management to the subsidiary at the rate stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (c) The Company has service agreements with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreements, the Company agreed to provide and install the computer system to support bill payment services. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company in accordance with the types of service stipulated in the agreements.
- (d) The Company has a service agreement with Counter Service Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to be appointed as the agent of the subsidiary for bill payment services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay a service fee to the Company at the amount stipulated in the agreement. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 60 days before the expiry date of the agreement.
- (e) The Company has a maintenance service agreement with CP Retailink Co., Ltd., a local subsidiary. Under the terms of the agreement, the subsidiary agreed to provide maintenance of computer hardware and equipment services to the Company for a period of 5 years ending in December 2019. In consideration thereof, the Company agreed to pay an annual service fee to the subsidiary at the amount stipulated in the agreement.
- (f) The Company has a computer service center agreement with Thai Smart Card Co., Ltd., a local subsidiary. Under the terms of the agreement, the Company agreed to provide place for setting up computer center and other facilities to the subsidiary for a period of 3 years ending in September 2020. In consideration thereof, the subsidiary agreed to pay an annual service fee to the Company at the amount stipulated in the agreement.
- (g) The Company and certain local subsidiaries have lease and service agreements with C.P. Tower Growth Leasehold Property Fund, a related company, to lease space in its buildings for offices of the Company and the subsidiaries. In consideration thereof, the Company and the subsidiaries agreed to pay monthly rental and services fees totaling Baht 10.5 million, and placed guarantee deposits with the related company totaling Baht 31.4 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 2019.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

- (h) The Company and certain local subsidiaries have information system services agreements with Gosoft (Thailand) Co., Ltd. (“the service provider”), a local subsidiary. Under the terms of these agreements, the service provider agreed to provide consulting, advisory, development, design, installation, maintenance and supporting services to the Company and its subsidiaries for a period of 1 year ending in December 2017. In consideration thereof, the Company and its subsidiaries agreed to pay service fees to the service provider at the amounts stipulated in the agreements. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days before the expiry date of the agreement.
- (i) The Company has a service agreement with Siam Makro Public Company Limited, a local subsidiary. Under the terms of the agreement, the Company agrees to grant the right to use certain trademarks under conditions stipulated in the agreement. In consideration thereof, the subsidiary is committed to pay a fee, calculated as a percentage of its sales, to the Company as stipulated in the agreement. This agreement is effective for a period of 1 year and is renewable for additional periods of 1 year each.
- (j) A local subsidiary, Siam Makro Public Company Limited, has lease and service agreements with CP Retailink Co., Ltd, a local subsidiary (“the party”). Under the terms of these agreements, the subsidiary agreed to provide space for trading and related services to the party. In consideration thereof, the party agreed to pay monthly rental and services fees, and placed guarantee deposits with the subsidiary as stipulated in the agreement. The guarantee deposits will be refunded to the party upon the termination of the lease. These agreements are effective for a period of 3 years, and will expire on various dates until July 2020.

5 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		<i>(in million Baht)</i>			
Related parties	4	198	160	-	-
Other parties		1,271	887	78	135
Total		1,469	1,047	78	135
Less allowance for doubtful accounts		(19)	(21)	-	-
Net		1,450	1,026	78	135

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Bad and doubtful debts expense (Reversal of allowance for doubtful accounts) for the				
- three-month period ended 30 September	(3)	1	-	-
- nine-month period ended 30 September	2	-	-	-

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	<i>Note</i> 30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	136	107	-	-
Overdue:				
Less than 3 months	45	37	-	-
3 - 6 months	14	9	-	-
6 - 12 months	3	7	-	-
Total	198	160	-	-
Less allowance for doubtful accounts	-	(2)	-	-
Net	4 198	158	-	-
Other parties				
Within credit terms	803	711	78	135
Overdue:				
Less than 3 months	379	152	-	-
3 - 6 months	37	6	-	-
6 - 12 months	37	7	-	-
Over 12 months	15	11	-	-
Total	1,271	887	78	135
Less allowance for doubtful accounts	(19)	(19)	-	-
Net	1,252	868	78	135
Grand total	1,450	1,026	78	135

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

6 Investments in subsidiaries

Movements during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	-	-	205,537	202,600
Increases	-	-	37	2,907
At 30 September	-	-	205,574	205,507
At 31 December	-	-	-	205,537

CP ALL Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Additional investments

Details of the increase in investments in subsidiaries during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
All Corporation Limited	-	-	37	-
Lotus Distribution Investment Limited	-	-	-	2,907
Total	<u>-</u>	<u>-</u>	<u>37</u>	<u>2,907</u>

During the third quarter of 2017, the subsidiary collected from the called for additional paid-up share capital of Baht 37 million; from Baht 13 million to Baht 50 million.

During the first quarter of 2016, the subsidiary collected from the called for additional paid-up share capital of United States Dollars 80 million; from United States Dollars 126 million to United States Dollars 206 million.

CP ALL Public Company Limited and its Subsidiaries
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For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Investments in subsidiaries as at 30 September 2017 and 31 December 2016, and dividend income for the nine-month periods ended 30 September 2017 and 2016 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership Interest		Paid-up capital				At cost		Dividend income for the nine-month period ended
			30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	
			30 September 2017		31 December 2016		30 September 2017		31 December 2016		
Separate financial statements											
<i>(in million Baht)</i>											
Local direct subsidiaries											
Suksapiwat Co., Ltd.	Holding company	Thailand	99.99	99.99	810	810	810	810	810	810	-
CPRAM Co., Ltd.	Frozen food plant and bakery	Thailand	99.99	99.99	600	600	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	100	100	100	100	91	91	868
CP Retailink Co., Ltd.	Distributor of equipment for retailing and software development	Thailand	99.99	99.99	20	20	20	20	20	20	-
Gosoft (Thailand) Co., Ltd.	Information system design and development services	Thailand	99.99	99.99	20	20	20	20	20	20	150

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Name of parties	Type of business	Country of incorporation	Ownership Interest		Paid-up capital		At cost		Dividend income for the nine-month period ended	
			30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	30 September 2016		
			30 September 2017		31 December 2016		30 September 2017		30 September 2016	
			(%)		<i>(in million Baht)</i>					
All Corporation Limited	Holding company	Thailand	99.99	99.99	50	13	50	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	-	5
Panyatara Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	-	-
All Training Co., Ltd.	Training center	Thailand	99.99	99.99	1	1	1	1	-	-
OHT Co., Ltd.	Holding company	Thailand	99.99	99.99	12	12	57,754	57,754	1,159	989
24 Shopping Co., Ltd.	Distributor of catalog merchandises and e-commerce	Thailand	99.99	99.99	30	30	30	30	-	-
Thai Smart Card Co., Ltd.	Smart purse card services	Thailand	72.64	72.64	1,600	1,600	1,151	1,151	-	-
Siam Makro Holding (Thailand) Ltd.	Holding company	Thailand	49.00	49.00	1,066	1,066	55,490	55,490	1,114	951
Siam Makro Public Company Limited	Cash and carry	Thailand	42.87	42.87	2,400	2,400	82,427	82,427	1,832	1,667
Total					198,448	198,411	5,123	5,123	4,326	4,326

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Name of parties	Type of business	Country of incorporation	Ownership interest		Paid-up capital		At cost		Dividend income for the nine-month period ended
			30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	30 September 2016	
			(%)		(in million US\$)		(in million Baht)		
Foreign direct subsidiaries									
Lotus Distribution Investment Limited	Holding company	British Virgin Islands	100.00	100.00	206	206	7,126	7,126	-
Albuera International Limited	Holding company	British Virgin Islands	100.00	100.00	.*	.*	.*	.*	-
Total							<u>7,126</u>	<u>7,126</u>	<u>-</u>
Grand total							<u>205,574</u>	<u>205,537</u>	<u>4,326</u>

* As at 30 September 2017 Albuera International Limited ("Albuera") had paid-up capital amounting to USD 1 and the Company invested in Albuera amounting to USD 1.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Details of the Company's indirect subsidiaries as at 30 September 2017 and 31 December 2016 only those with changes during the nine-month period ended 30 September 2017 were as follows:

Name of parties	Type of business	Country of incorporation	Ownership interests	
			30 September 2017	31 December 2016
			(%)	
<i>Foreign indirect subsidiaries (investment through Siam Makro Public Company Limited)</i>				
CP Wholesale India Private Limited	Wholesale and related business	India	97.87	-
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	78.30	-
Indoguna Dubai L.L.C	Importing and trading of food related products	United Arab Emirates	78.30*	-
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People's Republic of China	78.30	-
Indoguna Lordly Company Limited (formerly "Lordly Company Limited")	Importing and trading of food related products	Hong Kong Special Administrative Region of the People's Republic of China	78.30	-
Makro (Guangzhou) Food Company Limited	Wholesale, retail and related business	The People's Republic of China	97.87	-

* The Group interest is 78.30% after taking account of nominee holdings.

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

7 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Consolidated financial statements			
	2017		2016	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in million Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land	683	-	784	-
Buildings, building and leasehold improvements	3,360	80	4,402	45
Machinery and equipment	3,454	28	3,919	18
Furniture, fixtures and office equipment	1,719	71	1,956	43
Assets under construction and installation	6,912	5,301	7,112	6,300
Other	808	4	683	4
Total	16,936	5,484	18,856	6,410

	Separate financial statements			
	2017		2016	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in million Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land	431	-	4	-
Buildings, building and leasehold improvements	1,875	71	1,626	18
Machinery and equipment	1,376	10	1,282	8
Furniture, fixtures and office equipment	1,575	56	1,569	39
Assets under construction and installation	2,484	2,346	1,832	1,515
Other	599	3	440	2
Total	8,340	2,486	6,753	1,582

CP ALL Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

8 Interest-bearing liabilities

Short-term borrowings from financial institutions

Movements during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
At 1 January		3,516	11,881	-	9,000
Increases		2,844	-	-	-
Acquired through business combination	3	379	-	-	-
Decreases		-	(7,006)	-	(9,000)
At 30 September		6,739	4,875	-	-
At 31 December		3,516	3,516	-	-

Debentures

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Current	8,500	25,937	8,500	25,937
Non-current	153,010	154,222	153,010	154,222
Total	161,510	180,159	161,510	180,159

Movements during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	180,159	173,000	180,159	173,000
Increases	7,500	19,000	7,500	19,000
Decreases	(26,149)	-	(26,149)	-
At 30 September	161,510	192,000	161,510	192,000
At 31 December	180,159	180,159	180,159	180,159

Debentures 1/2017

On 27 March 2017 the Company issued Baht 4,500 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of borrowings. Debentures were with term of 12 years and fully repayable on 27 March 2029, which bear interest at the fixed rate of 4.70% per annum.

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These debentures have a credit rating of “A-(tha)” updated by Fitch Ratings (Thailand) Limited on 23 March 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 27 March 2017

Debentures 2/2017

On 18 August 2017 the Company issued Baht 3,000 million unsubordinated and unsecured debentures in registered name form, which had the objective to repayment of matured debentures. Debentures were with term of 10 years and fully repayable on 18 August 2027, which bear interest at the fixed rate of 3.96% per annum.

These debentures have a credit rating of “A-(tha)” updated by Fitch Ratings (Thailand) Limited on 4 July 2017 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 18 August 2017

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

Siam Makro Public Company Limited shares as at 30 September 2017, which were pledged in accordance with the conditions stipulated in the bond issuance, totaled 2,875 million shares. The fair value of those shares totaled Baht 99,889 million.

Long-term borrowings from financial institutions

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Current	2,006	2,000	-	-
Non-current	4,274	2,585	-	-
Total	6,280	4,585	-	-

Movements during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
At 1 January		4,585	4,000	-	-
Increases		1,772	216	-	-
Acquired through business combination	3	32	-	-	-
Exchange differences on translation financial statement		(109)	(4)	-	-
At 30 September		6,280	4,212	-	-
At 31 December		4,585	4,585	-	-

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During the year of 2016, a foreign subsidiary entered into long-term borrowings agreement with a foreign financial institution totaling China Renminbi 450 million (or equivalent to approximately Baht 2,253 million) with the floating interest rate as stipulated in the agreement. In this regard, certain foreign subsidiaries issued the letters of guarantee for this long-term borrowings agreement. In the year 2017 the Company had fully drawn down the long-term borrowings.

In this regard, the Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio, total debts to total assets ratio and the shareholdings of the Company in a local subsidiary as stipulated in the agreements, etc.

9 Subordinated perpetual debentures

On 30 November 2016 and 22 August 2017 the Company issued unsecured, unconvertible and subordinated perpetual debentures in registered name form (“Debentures”) of Baht 10,000 million (debentures no. 1/2016) and Baht 10,000 million (debentures no. 1/2017), respectively, which are payable upon dissolution of the Company or upon the exercise of the Company’s early redemption right per condition as stipulated in the terms and conditions of debentures. These debentures bear interest which is calculated based on 5-year government bond yield adjusted with initial credit spread and coupon rate as stipulated in the terms and condition of the debentures and is paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without time and number limitation based on the Company’s discretion. If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

- (a) declare or pay any dividend; and
- (b) pay any interest or distribute any assets to any holder of Parity Securities or Junior Securities; and
- (c) redeem, reduce, cancel, acquire, or buy-back any of any securities issued by the Company which rank pari passu or junior to these debentures.

These Debentures of totalling Baht 19,909 million, net of issuance cost of Baht 91 million, are recognised as a part of equity in the consolidated and separate interim financial statements for the three-month and nine-month periods ended 30 September 2017 (consisted of debentures no. 1/2016 of Baht 9,953 million, net of issuance cost of Baht 47 million and debentures no. 1/2017 of Baht 9,956 million, net of issuance cost of Baht 44 million).

Cumulative interest for the three-month and nine-month periods ended 30 September 2017 which the debenture holders have the right to receive if the interest payment was announced amounting to Baht 181 million and Baht 429 million. In the second quarter of 2017 the Company paid interest expenses on subordinated perpetual debentures to the holders of Baht 248 million.

10 Segment information

The Group has 3 reportable segments which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

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

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Other operations include bill payment services, frozen food plant and bakery, distributor of retailing equipment and educational institutions. None of these segments meets the quantitative threshold for determining reportable segments.

The Group is managed and operates principally (more than 99%) in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

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

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Revenue and results, based on segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2017 and 2016 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>For the three-month period ended 30 September</i>										
Revenue from sale of goods and rendering of services to external customers	70,845	64,964	45,654	42,040	8,955	8,055	(7,212)	(6,417)	118,242	108,642
Total income	77,826	71,062	45,880	42,203	9,212	8,289	(9,703)	(8,526)	123,215	113,028
Profit before income tax expense for the period	5,158	4,250	1,701	1,621	969	820	(1,980)	(1,706)	5,848	4,985
<i>For the nine-month period ended 30 September</i>										
Revenue from sale of goods and rendering of services to external customers	205,766	191,834	137,172	127,313	25,690	22,855	(20,923)	(18,394)	347,705	323,608
Total income	224,569	208,948	137,874	127,854	26,343	23,524	(27,416)	(23,884)	361,370	336,442
Profit before income tax expense for the period	14,723	12,931	5,018	4,431	2,537	2,062	(5,128)	(4,334)	17,150	15,090

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Assets, based on segments, in the consolidated financial statements at 30 September 2017 and 31 December 2016 were as follows:

	Convenience stores		Cash and carry		Other		Eliminate		Total	
	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016
Segment assets	279,564	280,872	255,633	254,496	41,970	39,767	(222,340)	(222,867)	354,827	352,268

(in million Baht)

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11 Income tax expense

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

12 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2017 and 2016 were based on the profit for the periods attributable to equity holders of the Company less cumulative interest for the period on subordinated perpetual debentures and the number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>For the three-month period ended 30 September</i>	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	4,970	4,115	4,789	3,899
Less: cumulative interest for the period on subordinated perpetual debentures	(181)	-	(181)	-
Profit used in calculation of basic earnings per share	4,789	4,115	4,608	3,899
Number of ordinary shares outstanding during the period	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	0.53	0.46	0.51	0.43

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>For the nine-month period ended 30 September</i>	<i>(in million Baht/million shares)</i>			
Profit for the period attributable to equity holders of the Company	14,383	12,376	13,406	11,613
Less: cumulative interest for the period on subordinated perpetual debentures	(429)	-	(429)	-
Profit used in calculation of basic earnings per share	13,954	12,376	12,977	11,613
Number of ordinary shares outstanding during the period	8,983	8,983	8,983	8,983
Basic earnings per share (in Baht)	1.55	1.38	1.44	1.29

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13 Dividends

At the annual general meeting of the shareholders of the Company held on 20 April 2017, the Company's shareholders approved the appropriation of 2016 annual dividends of Baht 1.00 per share for 8,983,101,348 ordinary shares, totaling Baht 8,983 million, from the profit attributable to equity holders of the Company for the year 2016. The dividends were paid to the Company's shareholders on 18 May 2017.

At the annual general meeting of the shareholders of the Company held on 21 April 2016, the Company's shareholders approved the appropriation of 2015 annual dividends of Baht 0.90 per share for 8,983,101,348 ordinary shares, totaling Baht 8,085 million, from the profit attributable to equity holders of the Company for the year 2015. The dividends were paid to the Company's shareholders on 19 May 2016.

14 Supplemental disclosures of cash flows information

Details of property, plant and equipment and other intangible assets paid by cash during the nine-month periods ended 30 September 2017 and 2016 were as follows:

Property, plant and equipment

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Increases during the period	11,612	12,691	5,969	5,238
Add (Less) - changes in payables	(211)	164	(466)	77
- assets under finance leases	(53)	(315)	-	-
Purchase and paid by cash	11,348	12,540	5,503	5,315

Other intangible assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Increases during the period	566	367	229	142
Add (Less) - changes in payables	18	191	(19)	2
Purchase and paid by cash	584	558	210	144

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15 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value <i>(in million Baht)</i>	Carrying amount	Fair value
As at 30 September 2017				
<i>Financial liabilities not measured at fair value</i>				
<i>Current</i>				
Debentures	8,500	8,555	8,500	8,555
Long-term borrowings from financial institutions	2,007	2,020	-	-
Finance lease liabilities	117	177	-	-
<i>Non-current</i>				
Debentures	153,010	161,372	153,010	161,372
Long-term borrowings from financial institutions	4,274	4,298	-	-
Finance lease liabilities	716	828	-	-
Accrued guarantee deposits	3,501	2,914	3,398	2,811
As at 31 December 2016				
<i>Financial liabilities not measured at fair value</i>				
<i>Current</i>				
Debentures	25,937	26,114	25,937	26,114
Long-term borrowings from financial institutions	2,000	2,019	-	-
Finance lease liabilities	101	162	-	-
<i>Non-current</i>				
Debentures	154,222	160,183	154,222	160,183
Long-term borrowings from financial institutions	2,585	2,603	-	-
Finance lease liabilities	745	847	-	-
Accrued guarantee deposits	3,342	2,764	3,220	2,642

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As at 30 September 2017 and 31 December 2016 the Group had total forward currency contracts as follows:

Foreign currency	Consolidated financial statements	
	30 September 2017	31 December 2016
	<i>(in million)</i>	
Forward currency contracts - to buy		
Yen	678.1	270.4
United States Dollars	9.6	8.5
Euro	0.7	3.0
Australia Dollars	0.3	0.6
Forward currency contracts - to sell		
United States Dollars	1.5	0.7
Swiss Franc	0.8	0.2

As at 30 September 2017 the fair value of forward currency contracts - to buy and forward currency contracts - to sell amounting to Baht 558 million and Baht 76 million respectively (*31 December 2016: Baht 518 million and Baht 31 million respectively*).

16 Commitments with non-related parties

Capital commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Contracted but not provided for (construction costs of new plants, installation costs of machinery, and computer system development costs)	1,681	421	-	-
Total	1,681	421	-	-

Future minimum lease payments under non-cancellable operating leases

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Within one year	6,352	5,481	5,772	4,947
After one year but within five years	9,224	7,988	7,284	6,253
After five years	7,923	6,660	2,638	2,226
Total	23,499	20,129	15,694	13,426

The Group has lease agreements covering lease of land, buildings, vehicles and other assets for periods of 1 to 31 years, which will expire between 2017 to 2047.

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Other commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in million Baht)</i>			
Unused letters of credit for purchase of goods and supplies	465	322	-	-
Total	465	322	-	-

Letters of guarantee

As at 30 September 2017 the Group had commitments under letters of guarantee with the financial institutions, principally guarantee for utilities, lease agreements and others totaling Baht 1,957 million and United States Dollars 0.3 million (*31 December 2016: Baht 1,273 million and United States Dollars 0.3 million*).

Significant agreements

As at 30 September 2017 the Group had the following significant agreements.

- (a) The Company has an area license agreement with 7-Eleven, Inc., which was incorporated in the United States of America, to acquire a license to use the systems and trademarks of 7-Eleven, Inc. in connection with the operations of 7-Eleven convenience stores or franchising of such operations to other retailers in Thailand. The Company has also obtained certain services from 7-Eleven, Inc. in relation to training and technical assistance. In consideration thereof, the Company is committed to pay royalties to 7-Eleven, Inc. calculated as percentages of total sales of the 7-Eleven convenience stores that are operating in Thailand.
- (b) The Company has management agreements with local companies for their management of the Company-owned 7-Eleven convenience stores. Under the terms of the agreements, the Company is committed to pay management fees to those licensees calculated as percentages of gross operating profits of these convenience stores. The Company is entitled to receive the initial payments and royalties from those licensees in connection with the licenses granted for operating these 7-Eleven convenience stores. These initial payments and royalties are not refundable to the licensees in any case. The initial payments include deposits to guarantee the licensees' compliance with the agreements and any damage and/or liability that might be caused by the licensees. In consideration thereof, the Company pays interest on the deposits calculated at the time deposit rates announced by a local financial institution. These deposits will be refunded to the licensees upon termination of the agreements.
- (c) The Company has sub-area license agreements for operating 7-Eleven convenience stores and franchising such operations to other retailers ("licensees"). Under the terms of the agreements, the Company will provide certain technical assistance and related services to the sub-area licensees. In consideration thereof, the Company is entitled to receive royalties from the sub-area licensees as percentages of total sales of the 7-Eleven convenience stores operating in the licensed areas.
- (d) A local subsidiary, Gosoft (Thailand) Co., Ltd., has service agreements with local companies ("the parties"), whereby the latter parties provide the installation and development of systems as stipulated in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 4 to 6 months, and will expire on various dates until December 2017.

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- (e) A local subsidiary, Counter Service Co., Ltd., has service agreements with government entities and state enterprises (e.g., utilities, telephone expenses, etc.), and other local companies (e.g., hire purchase, life insurance premium, etc.) (“the parties”). Under the terms of the agreements, the subsidiary is committed to operate payment centers to collect customer payments on behalf of the parties then remits funds to the parties as the agreed procedures. The subsidiary can collect service income from customers or local companies as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to November 2021. If either of the parties has an intention to terminate the agreement, a written notification must be made to the other party at least the number of stipulated day in the agreement before the expiry date of the agreement.
- (f) A local subsidiary, Counter Service Co., Ltd., has service agreements with certain individuals and local companies (“the parties”), whereby the latter parties are appointed as agents of the subsidiary for receipts of customers’ bills as specified in the agreements. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are effective for periods over 1 to 5 years, and will expire on various dates up to June 2021. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.
- (g) A local subsidiary, CP Retailink Co., Ltd., has repair and maintenance management service agreements with local companies (“the parties”), whereby the latter parties agree to install and repair and maintenance of computer equipment and software, utility systems, electric appliances and other equipment used for operations in retail stores. Under the terms of the agreements, the subsidiary is committed to pay a service fee to the parties as stipulated in the agreements. These agreements are for a period of 1 year and are renewable for additional periods of 1 year. If either of the parties has no intention to renew the agreement, a written notification must be made to the other party at least 30 days before the expiry date of the agreement.

17 Contingent liability

As at 30 September 2017 the Company was contingently liable to a legal case with a fund (“the plaintiff”), in which the Company was a defendant in a lawsuit involving the compliance with Tender Offer Rule. The court of first instance rendered a judgement on 24 February 2015 and ruled the Company to pay the claimed damages amounting to Baht 104.7 million plus interest at the rate of 7.5% per annum starting from 2 August 2013 up to when the settlement of claimed damages will be completed. Consequently on 19 June 2015 the Company appealed the court’s judgement; and on 16 November 2015 the plaintiff filed against an appeal to the court.

Subsequently, on 13 July 2016 the civil court read the appeal court’s judgment on the legal case. The appeal court dismissed the claim according to the Company did not commit a wrongful act against the plaintiff. Therefore, the Company does not have a liability to pay the claimed damages in accordance to the first instance court’s judgment. Accordingly, no provision has been made in the interim financial statements for the three-month and nine-month periods ended 30 September 2017.

On 14 November 2016, the Company and the plaintiff filed their own petitions with the Supreme Court. The court accepted the plaintiff’s petition on 21 April 2017 and the Company’s petition on 26 May 2017.

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18 Events after the reporting period

- 18.1 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited ("Siam Makro")) held on 10 May 2017, the subsidiary's Board of Directors approved to set up a foreign subsidiary registered in United Arab Emirates, MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C ("MAXZI"), which has 80.00% ownership interest by an another subsidiary, Siam Food Services Limited (99.99% owned subsidiary of Siam Makro). The main business of MAXZI is restaurant and minimart. MAXZI has an initial authorised share capital of United Arab Emirates Dirham 4 million; and the registration was subsequently completed on 18 October 2017.
- 18.2 At the Board of Directors' meeting of a local subsidiary (Siam Makro Public Company Limited ("Siam Makro")) held on 8 August 2017, the subsidiary's Board of Directors approved Indoguna Vina Food Service Company Limited (formerly "Vina Siam Food Co., Ltd."), a wholly-owned foreign subsidiary of Siam Makro, to increase the subsidiary's authorised share capital of United States Dollar 2.5 million (from United States Dollar 2.5 million to United States Dollar 5 million) and to call for fully paid-up share capital. The registration of the increase authorised share capital was subsequently completed on 5 October 2017.
- 18.3 On 12 October 2017, the Company filed with The Securities and Exchange Commission, a registration statement for the offer for sale of 2 tranches of debenture; callable debentures tranche 1 due 2022 to the public investors and/ or the institutional investors; and debentures tranche 2 due 2027 to the institutional investors and/ or the high net worth individuals, totaling of these 2 tranches of debenture not excess of Baht 18,000 million. These debentures have a credit rating of "A" updated by Tris rating Co., Ltd. on 25 October 2017. The objective of the issuance is to early redemption of following three series of debentures, totaling Baht 17,884.8 million, according to the Company issued the early redemption right document to the debentures holders on 17 October 2017. The details of the early redemption debentures are as follows:
- Callable debentures no. 2/2014 tranche 2 due 2019 the payment obligation under which is secured by shares in another company, totaling Baht 3,451.2 million.
 - Callable debentures no. 2/2014 tranche 3 due 2021 the payment obligation under which is secured by shares in another company, totaling Baht 4,283.6 million.
 - Callable debentures no. 1/2015 tranche 2 due 2020, totaling Baht 10,150 million.

These series of debentures will be called in November 2017.

- 18.4 At the Board of Directors' meeting of the Company held on 25 October 2017, the Company's Board of Directors approved to increase the authorised share capital in direct subsidiary and indirect subsidiaries as follows:
- Approved Lotus Distribution Investment Limited, a direct wholly-owned foreign subsidiary, to increase its authorised share capital by United States Dollar 38 million (increase from United States Dollar 207 million to United States Dollar 245 million).
 - Approved Successor (China) Investments Limited, an indirect wholly-owned foreign subsidiary, to increase its authorised share capital by United States Dollar 37 million (increase from United States Dollar 195 million to United States Dollar 232 million).
 - Approved Nanjing Tianqu Investment Management Co., Ltd., an indirect wholly-owned foreign subsidiary, to increase its authorised share capital by China Renminbi 262 million (increase from China Renminbi 1,150 million to China Renminbi 1,412 million).

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19 Thai Financial Reporting Standards not yet adopted

A number of revised Thai Financial Reporting Standards (“TFRS”) have been issued but are not yet effective and have not been applied in preparing these interim financial information. Those revised TFRS that may be relevant to the Group’s operations, which become effective for annual financial periods beginning on or after 1 January 2018, are set out below.

TFRS	Topic
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 27 (revised 2017)	Separate Financial Statements
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TFRS 3 (revised 2017)	Business Combinations
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 21 (revised 2017)	Levies

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Management expects to adopt and apply these revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the interim consolidated and separate financial information of these revised TFRS and expects that there will be no material impact on the financial statements in the year of initial application.

20 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2016 have been reclassified to conform to the presentation of the interim financial statements for the three-month and nine-month periods ended 30 September 2017 as follows:

	Consolidated financial statements		2016			
	Before reclassi- fication	Reclassi- fication	After reclassi- fication	Before reclassi- fication	Reclassi- fication	After Reclassi- fication
<i>Statement of financial position as at 31 December</i>						
Other current receivables	2,295	4,338	6,633	2,588	2,085	4,673
Other current assets	5,054	(4,338)	716	2,708	(2,085)	623
Other non-current receivables	-	1,530	1,530	-	1,058	1,058
Other non-current assets	2,378	(1,530)	848	2,068	(1,058)	1,010
Other payables	(3,044)	(10,185)	(13,229)	(8,918)	(6,707)	(15,625)
Other current liabilities	(11,198)	10,185	(1,013)	(7,305)	6,707	(598)
		<u>-</u>			<u>-</u>	

The reclassifications have been made in order to comply with new format of financial statements for public company limited announced by the Department of Business Development of the Ministry of Commerce on 11 October 2016.